PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2008–2009

COMPRISING PERIOD
15 June 2009—26 June 2009

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(FORMED BY THE RT. HON. GORDON BROWN, MP, JUNE 2007)

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OFFICIAL REPORT

IN THE FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 494**

TENTH VOLUME OF SESSION 2008-2009

House of Commons

Monday 15 June 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CHILDREN, SCHOOLS AND FAMILIES

The Secretary of State was asked—

Secondary Schools

1. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of educational standards in secondary schools; and if he will make a statement. [279159]

The Secretary of State for Children, Schools and Families (Ed Balls): Let me take this opportunity to welcome the new schools Ministers, Mr. Vernon Coaker and Diana Johnson, the new Children's Minister, Dawn Primarolo, and the new 14 to 19 and apprenticeships Ministers, Mr. Kevin Brennan and Mr. Iain Wright. May I also thank Jim Knight, Bev Hughes and Sarah McCarthy-Fry for all that they did to improve the lives of children and young people in our country, and congratulate them on that? As a result of their efforts, standards in school have risen. In 1997, more than half of all secondary schools were below our benchmark of at least 30 per cent. of pupils getting five good GCSEs. When we launched our national challenge a year ago, that number of schools had fallen to 631. Today it is down to 440 and we are on track to meet our goal of zero by 2011. To help ensure that we do, I can tell the House that I have today approved seven new national challenge trusts to raise school standards in Birmingham, Torbay, Nottingham, Rochdale, Staffordshire, Chester and the Medway. In recent weeks, we have approved four new academies to replace national challenge schools in Bradford, Bournemouth and East Sussex.

Sir Nicholas Winterton: I visited a secondary school in my constituency—Tytherington high school—last Friday and it is doing an excellent job. The Secretary of State will know that the well-known independent education foundation, Edge, recently stated in a report that one in four pupils are being failed by their secondary school and that a quarter of parents are also deeply concerned that their child is being let down and believe that the education system needs an overhaul. That is slightly different from the response that the Secretary of State has given. Is there not a problem? Will the right hon. Gentleman give the matter serious consideration, as it is an issue of concern to a lot of parents?

Ed Balls: I repeat what I just said. In 1997, more than half of our secondary schools were below our basic benchmark. That number is now down to one in seven—from more than 1,600 to just 440 today. We have further to go, and that is why we are taking forward our national challenge reforms. I would encourage the hon. Gentleman to praise the children in Macclesfield, who have seen a 17.9 percentage point increase in their GCSE results since 1997. That is ahead of the Cheshire average. He should be congratulating pupils in his constituency on their efforts rather than running down the state school system.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that standards have improved quite dramatically in our secondary schools? If he had a priority list, would it include improving the quality of teachers—that is vital—improving transition from primary to secondary and looking again at the national curriculum?

Ed Balls: We are always looking at that curriculum. In fact, we have made important reforms to the key stage 3 national curriculum. I am very proud of the fact that, according to Ofsted, we have the best generation

of teachers that we have ever had in our country. However, there is more to do to ensure that we get more people to join the teaching profession. The transition from primary to secondary school is crucial to ensuring that children flourish in secondary school, so I was very concerned to see Sir Jim Rose's comments yesterday that the Opposition's proposals to shift testing to year 7 would set back that vital transition, to the detriment of children's learning across our country.

Mr. David Laws (Yeovil) (LD): May I also welcome the new ministerial team and, of course, congratulate the Secretary of State on managing to keep his position in the Department? The Government used to say that they would help to improve standards in secondary schools through the Building Schools for the Future programme. Given that the Government are planning a 50 per cent. cut in real capital spending after 2011, will the Secretary of State tell us how much of that programme will survive the Government's axe?

Ed Balls: If I remember the content of a private conversation involving the leader of the Liberal party that was overheard on an aeroplane, I think that the hon. Gentleman's job was rather more insecure than mine. As for Building Schools for the Future, I think that he has got the parties confused; it is the Opposition who are proposing a £4.5 billion cut in that programme. We are determined to ensure that we keep our school building programme moving forward. I wish the Liberals would support investment in our schools rather than choosing to cut it.

Kelvin Hopkins (Luton, North) (Lab): May I first congratulate my right hon. and hon. Friends on their new appointments? My right hon. Friend the Secretary of State will be aware that different high schools and secondary schools with identical pupil intakes perform very differently, which in my view is overwhelmingly due to teaching methods and classroom regimes. Has he made specific comparisons and will he ensure that in future schools adopt the best forms of teaching and the best forms of classroom culture?

Ed Balls: A very important report from Ofsted published just a few weeks ago considered the 12 top performing secondary schools in the most disadvantaged areas and showed that the vital factors were the quality of their leadership, their commitment to consistency, the quality of their teaching and the high expectations that they had of every child. The fact is that many schools in challenging circumstances are delivering brilliant results. We want to make sure that that happens everywhere, at all times. That is why we are the party that is taking forward the expansion of trusts, academies and specialisms, to make sure that the best leadership is put to work in schools right across the country.

Mr. Philip Dunne (Ludlow) (Con): The Secretary of State seems to have dismissed out of hand the innovative proposals from my hon. Friend the Member for Surrey Heath (Michael Gove) for ascertaining the quality of children leaving primary school and entering secondary schools. Should he not listen to his friends in the National Union of Teachers, or his friends who are heads of secondary schools up and down this country? They will tell him about the need to understand the capabilities of children when they enter schools—information that standard assessment tests simply cannot provide.

Ed Balls: It is very revealing that the NUT executive leadership should be making Conservative party policy. I can assure the hon. Gentleman that that does not happen on the Labour Benches. I have looked very closely at the arguments, and the conclusion that I have reached on the basis of the expert group report is that objective measurement of the performance of primary school pupils is vital if we are to keep raising standards. As for the Opposition's proposals, they were roundly criticised yesterday by teaching unions and experts alike because they would lead to less accountability and a poorer quality of marking, with parents being denied the information that they need to track the progress of their child. If I were the hon. Member for Surrey Heath (Michael Gove), I would not be bowing to pressure from some unions. I would be doing the right thing by the children of our country—which is what I, unlike him, am determined to do.

Rob Marris (Wolverhampton, South-West) (Lab): On the quality of teaching, the Secretary of State was unable to tell me in a written answer what proportion of lessons in state secondary schools are taken by people who are not qualified teachers. Why is that? Does he not care who is teaching our kids?

Ed Balls: I care very much about who is teaching our kids, which is why I am proud that, as I said earlier, we have the best generation of teachers that we have ever had. If the previous schools Minister did not provide a proper answer to my hon. Friend's question, I will make sure that the new one does so forthwith.

Michael Gove (Surrey Heath) (Con): May I join the hon. Member for Yeovil (Mr. Laws), and indeed the Secretary of State, in wishing well all those Ministers from the Department who have gone on to higher things? May I also commiserate with the right hon. Gentleman on remaining in his current post? I assure him that that is not a commentary on his Department's Aimhigher programme.

I also congratulate the Minister of State, the hon. Member for Gedling (Mr. Coaker), on being appointed Minister for schools and learners. He is a member of the NUT, and I am delighted that his union endorsed our proposals yesterday, calling them "imaginative" and in the interests of pupils. It is good to have his support, and I look forward to more of it. The Minister is also a member of the Socialist Education Association, which is committed to equality. Like me, he will be disturbed by the fact that barely 2 per cent. of pupils eligible for free school meals sit physics or chemistry GCSE, with under 4 per cent. sitting biology. Such pupils are 25 times less likely to sit any of those subjects than their wealthier peers.

While the numbers of poor children getting competitive qualifications are declining, so are standards. This will be of interest to the Secretary of State: in the latest GCSE biology paper, students are asked if we sweat through our kidneys, liver, lungs or skin. Was not the Royal Society of Chemistry right to suggest that Government changes to the science curriculum had been "a catastrophe"? Is it not true that the poorest pupils are being hit hardest?

Ed Balls: The fact is that it is our national challenge programme and our approach to school improvement that will drive up standards in schools across the country,

including in the most disadvantaged areas. It is hugely disappointing that the hon. Gentleman refuses to support the school improvement steps that we are taking. He is the shadow schools Minister, and it is a great relief that he is finally willing, for the first time in five months, to ask me a question. The actions that we are taking to drive up standards in all schools, including those in the most disadvantaged communities, are consistently opposed by the Opposition.

Michael Gove: Actually, I asked the Secretary of State questions on "The World at One" just 90 minutes ago, and I am surprised that that experience has been wiped clean from his memory, because once again his figures and arguments were utterly discredited. Will he answer the questions that I asked, which were about the science curriculum? The people who work for the right hon. Gentleman point out that, under him, that curriculum has, I am afraid, deteriorated. Ofqual, the exams watchdog, has said that there has been a fall in the quality and rigour of science exams since 2006. Sir Peter Williams, who chaired the Government's maths reviews, has said:

"I don't think there's any doubt whatsoever that absolute A-level standards have fallen".

Sir Adrian Smith was No. 2 at the Department for Innovation, Universities and Skills—remember that?—and he has said that the Government's plans for science diplomas are wrong, that they simply have not got their GCSEs and A-levels right, and that their whole approach to science is poorly thought through. Until recently, Ralph Tabberer was the man responsible for schools in the Department, but now he has blown the whistle by saying that current education policies fail to emphasise scholarship and high-quality study, and that the Secretary of State is simply going in the wrong direction.

All those experts have worked up close and personal with the Secretary of State. Are they all wrong?

Ed Balls: I was very pleased that the hon. Gentleman was willing to go on "The World at One", and the fact that he has matched that with asking questions in the House of Commons is a real step forward.

I have written to the hon. Gentleman seven times asking for a commitment to match our September guarantee to young people in our country, and seven times there has been no reply to my letter. On the issue of science, the fact is that the number of children doing single, double and triple science exams in state schools has risen year on year in recent years. As he knows, Ofqual had some concerns about the quality of the new science exam, and they are being addressed, but the fact is that across English, maths and many of the single sciences, we are maintaining standards as take-up increases. He is wrong to spend the whole time running down the achievements of pupils in our state schools, who achieved half of the increase in three A-level passes in recent years. The fact is that we are investing and raising standards through policies that are consistently opposed by the Conservative party. The fact that he will not reply to my letters is very revealing indeed.

Macdonald Review

2. **Mr. Graham Allen** (Nottingham, North) (Lab): When his Department will respond to the Macdonald review of personal, health and social education; and if he will make a statement. [279160]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): Sir Alasdair Macdonald's review was published on 27 April. My right hon. Friend the Secretary of State's statement of the same day welcomed the report, and particularly its recommendation that personal, social and health education should become part of the national curriculum at both primary and secondary level. We are consulting on that and on other recommendations that would require legislation; we are also taking forward action on those recommendations that do not require it.

Mr. Allen: May I welcome my hon. Friend to the Dispatch Box, and to a well-deserved promotion? May I also congratulate Jim Rose and Alasdair Macdonald on their excellent reports, and the Government on their response to them? Both reports underline the fact that a whole package of early intervention measures must be introduced to help young people to attain in the way that we would like. Will my hon. Friend follow some of the examples of our practice in Nottingham, where we have 11-to-16 life skills lessons starting this September in every secondary school that wants them? Will she please make sure that we call the subject "life skills", which people on estates in my constituency will understand, rather than PSHE or any other of the obscure acronyms in which we delight in education?

Ms Johnson: First, may I thank my hon. Friend for his kind remarks and welcome? I pay tribute to his chairmanship of One Nottingham, which has at its heart early intervention strategies to make a real difference to the life chances of children and young people in Nottingham. I think that the Department for Children, Schools and Families will watch very carefully what happens with the life skills programme from September onwards, and I am sure that there will be lots of lessons that we can learn. The issue of PSHE is out for consultation at the moment. One particular question is what the lessons will be called, and I would urge anyone who has a strong view about that to make sure that they take part in that consultation, which runs until the end of July.

Mr. David Evennett (Bexleyheath and Crayford) (Con): I noted the Minister's answer to the last question, but will schools have to pay from their own budgets for the new training and necessary specialist staff to deliver the new, improved personal, social and health education?

Ms Johnson: I understand that there is money available—I think that it is £2 million—for the change to be implemented, and resources will of course be made available.

Tim Loughton (East Worthing and Shoreham) (Con): May I add my welcome for the addition of the hon. Lady to the Secretary of State's burgeoning team, and the addition of the right hon. Member for Bristol, South (Dawn Primarolo), who will be the third Minister for Children that I have faced in recent years? Can the Parliamentary Under-Secretary tell me why, after 12 years of Labour Government and all the changes made to PSHE, we still have the highest teenage pregnancy rate in Europe, and still have a soaring rate of chlamydia and other sexually transmitted infections? Why do we have an under-age drinking problem that is among the

worst in the world, according to the World Health Organisation, and why are the Government falling woefully short of providing the promised number of school nurses to work with clusters of schools as a major means of promoting better children's health?

Ms Johnson: Of course the hon. Gentleman will know that there has been a reduction in teenage pregnancies in recent years. The reason why we are consulting on making PSHE statutory in schools is to make sure that there is a step change in that important area, so that young people and children have access to good information about the life skills that they will need. There is also an issue about making sure that resources are devoted to that, but his party's planned cuts would mean not dealing with some of the real issues with which we are trying to deal.

Sexually Transmitted Infections

3. **Ann Winterton** (Congleton) (Con): What recent discussions he has had with the Secretary of State for Health on provision of health services in schools for children with sexually transmitted infections. [279161]

The Minister for Children (Dawn Primarolo): We are working with the Department of Health to improve young people's access to contraceptive and sexual health advice services, to help them avoid unplanned pregnancies and sexually transmitted infections. This includes support to develop services in settings that young people can access more easily, such as schools and further education colleges.

Ann Winterton: The number of under-16s having contracted sexually transmitted diseases in the past four years, on the Government's watch, has risen by a mammoth 58 per cent., but I am sure the right hon. Lady will agree that prevention is better than treatment or cure. Will she ensure that in future, parents and responsible families are encouraged to work with good quality relationship education to try to reduce under-age and unprotected intercourse, which has such adverse effects, both physical and emotional, on our young people?

Dawn Primarolo: As the hon. Lady knows, screening for STIs and chlamydia in particular, which is being extended all the time, is giving clear indications of the number of young people who may be infected. She is right that we need decent sex and relationship education for young people that enables them, with their parents—but young people in particular—to resist the pressures when they do not want to be sexually active. Regrettably, a quarter to a third of under-16s choose to be sexually active, and we must ensure that services are rapidly available to them to enable them to be safe and to protect their health. I am sure she would welcome properly directed advice being made available to young people, through work with schools, parents and the health service.

Ms Dari Taylor (Stockton, South) (Lab): May I ask my right hon. Friend to consider a project that is already assessed as valuable, whereby 18 and 19-year-olds are speaking to young people about their sexual health? We can say all we want, but often there are blocks to young people hearing us, whereas a conversation between 18-year-olds and 16-year-olds is much more effective and committed. I ask her to look at such projects to see how sexual health could be better handled by young people speaking to young people.

Dawn Primarolo: I agree with the sentiments expressed by my hon. Friend about the importance of such conversations—for instance, very young mothers who enjoy being parents, but are prepared to talk to much younger women about the importance of choosing to be a parent at the right time. Discussions in the school, properly structured and led by qualified personnel, especially health personnel, with young people as advocates can go a great deal further than we have been able to go to date in making sure that young people have the right information to make the right choices for them personally, and to resist the pressures that they often feel.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): I welcome the right hon. Lady to her new position. In her discussions with the Secretary of State for Health about the spread of infectious diseases in schools, what discussions has she had or will she have, following the chief medical officer's prediction last week of a huge surge in the number of cases of swine flu when children go back to school in the autumn? What is her assessment of the likely number of schools that will be required to close, and is she confident that adequate contingency plans are in place to provide education to children whose schools are closed?

Dawn Primarolo: The hon. Gentleman raises a very important question about ensuring that the Government at all times take the very best advice from the chief medical officer on the potential for infections in our schools; that we clearly follow the expert advice of the Health Protection Agency; and that my right hon. Friend the Secretary of State for Health, in taking part in those discussions in Cobra and other forums, will ensure at every opportunity that our children are protected and that the right steps are taken for staff and young people. I am sure that the hon. Gentleman would welcome being kept informed of developments as they progress, because all parts of the House, not just individuals, will share that concern, so I undertake to ensure that he and the Liberal Democrat spokesman, the hon. Member for Yeovil (Mr. Laws), are kept fully informed.

David Taylor (North-West Leicestershire) (Lab/Co-op): The increasing prevalence of syphilis, gonorrhoea and chlamydia is not necessarily entirely due to increasing promiscuity or to a lack of safe sex among teenagers; improved diagnostic techniques in the main can also produce apparently higher infection levels in the population. Does my right hon. Friend recall that the only period when the figures headed downwards was many years ago—at the time of the major national publicity campaign on AIDS? Are not the figures now so worrying that that type of national approach and national advertising ought to be considered? We cannot continue on our current way.

Dawn Primarolo: My hon. Friend is absolutely correct when he points to the improvements in the diagnostics of STIs. I hear his point about the importance of a national, high-level campaign, but, having looked in partnership with the Minister for public health at all the

available research, I must say that it is quite clear that targeted and specific information for young people produces the best results. We will continue to follow that strategy, but I shall reflect on my hon. Friend's comments and certainly bear them in mind.

Child Care (Summer Holidays)

4. **Annette Brooke** (Mid-Dorset and North Poole) (LD): What recent representations he has received on the adequacy of child care provision in summer holidays. [279162]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): Ministers receive representations on a wide range of child care issues. Local authorities have a statutory duty to ensure that there is sufficient child care in their area to meet the needs of working parents at all times of the year, including over the summer holidays.

Annette Brooke: I thank the Minister for his answer. Does he share my concern that, with the rapid fall in the number of child minders over the past five years, there are additional pressures on working parents either to give up their jobs in the summer months or, even, to leave their child home alone? Furthermore, given the Government's welfare programme, will he assure the House that there is close working between Departments to ensure truly appropriate, affordable and quality child care for all those working parents who need it during the summer months?

Mr. Wright: I certainly agree with those last comments, which are crucial: we must ensure that adequate, safe and high-quality child care is provided to reassure parents at all times, including during the summer months. I concede to the hon. Lady the point about the number of child minders having fallen over the past two quarterly returns, but I must tell her that the number of places that have been offered has risen slightly, thus providing a greater supply of child care through child minders. On her point about cross-governmental working to ensure that work pays under the welfare system, I must point out to her that the tax credit system has been a huge success and parents can get substantial help towards the cost of registered child care. Working families can claim up to 80 per cent. of their child care costs through the tax credit system, and that equates to £150 a week for one child and up to £240 a week for two or more children.

Mr. Lindsay Hoyle (Chorley) (Lab): I welcome my hon. Friend to his new position and hope that he will be as enthusiastic as he was in his previous one. Of course, it is quite right that we support parents who need child care. The issue, however, is not only about having enough child minders, but about the persistent and extra help that we can give to parents through the summer months, when they are under pressure at work. Is my hon. Friend in contact with the education authorities to see whether nurseries can open for extra hours and to ensure that there is extra provision, and will he make sure that, if there is a shortage of funding, he tries to ease that pressure, too?

Mr. Wright: I thank my hon. Friend for those kind words. I shall miss debating the merits of council houses and other housing matters with him.

My hon. Friend is absolutely right. His key point is about child care places and the wider provision of child care in local areas. As I mentioned in an earlier answer, local councils have a statutory duty to assess and identify what is needed. What my hon. Friend has mentioned certainly is needed, as there could be a spike in the summer holidays. I shall consider the issue and am willing to talk to my hon. Friend about it to see what is available in his area.

Bob Spink (Castle Point) (Ind): Child care is also a problem for working mums of rising fives, who in the first term of their schooling sometimes attend part time and have to go home at 12 o'clock. Working mums, who in this economic climate must work to fund the family budget, find it difficult to manage that. Montgomery school in my constituency, for example, takes children only part time for that first term. Will the Minister do more to encourage schools to be flexible and find ways around the problem, so that mums can continue to work?

Mr. Wright: I certainly share the hon. Gentleman's concerns. I also declare an interest: my four-year-old son is going through exactly the same stage of life at the moment, and he goes home at midday. As the hon. Gentleman pointed out, the key point is flexibility. Close relationships between child minders, nurseries, schools and parents are absolutely key in respect of providing information to make sure that the circumstances of each individual household are addressed when taking child care places into account.

Mrs. Maria Miller (Basingstoke) (Con): I welcome the hon. Member for Hartlepool (Mr. Wright) to his new position and look forward to debating the issues with him. Hopefully, when he has had time to reflect a little more on his brief, he will find out that although he would like to assert that the child care element of the working tax credit is a success, in fact only 20 per cent. of those eligible actually receive it. I am sure that he is finding out that his brief is very difficult in respect of child care.

As the hon. Member for Mid-Dorset and North Poole (Annette Brooke) pointed out, there are now 10,000 fewer registered child minders, and that affects summer child care. Nationwide, however, more child care places are being shut down than new places are opening. Is the new Minister taking a fresh look at why Government policy is squeezing so many trusted child care providers out of the market? Furthermore, will he listen to the findings of the Federation of Small Businesses report, which says that another 200 nurseries could shut before the end of the year?

Mr. Wright: I thank the hon. Lady for her kind words of welcome to the Dispatch Box, but I disagree fundamentally with what she has said. We have seen a revolution in the flexibility and increased supply of early-years provision. In the five years to 2009, there was a 48 per cent. increase in the numbers benefiting from the child care element of the working tax credit. We are providing real help now to hard-working families.

Over the past 12 years, the Government's real commitment and dedication, matched by unprecedented sums of money, have stood in stark contrast to the proposals from the Conservative party, which would cut tax credits, cut provision and cut chances for hard-working families.

Family Holidays (School Terms)

5. **Mr. Philip Hollobone** (Kettering) (Con): If he will take steps to reduce levels of pupil absence as a result of families taking holidays during school terms. [279163]

The Minister of State, Department for Children, Schools and Families (Mr. Vernon Coaker): Under the Government's attendance drive, head teachers are taking a tougher line on unnecessary time away from school. Many are refusing permission for term-time holidays in all but the most exceptional circumstances. Furthermore, head teachers are increasingly marking pupils' absence as unauthorised when term-time holidays are taken without permission. The overall absence rate due to holidays has decreased from 0.7 per cent. in 2006-07 to 0.66 per cent. in 2007-08, a reduction of 0.04 percentage points.

Mr. Hollobone: The vast majority of pupils holiday during the summer holidays. However, some parents in Kettering constituency find it difficult to go away then because of their work patterns, family commitments and other difficulties. Are the Government doing anything across the ambit of their responsibility to tackle the premium pricing that holiday tour operators impose on family holidays? If the premium pricing issue were dealt with, far more families would be able to take their holidays during the summer holidays.

Mr. Coaker: It is for local authorities to determine the best holiday pattern in their own areas; no doubt the local authority in Kettering will have heard what the hon. Gentleman has said and will reflect on the various points that people have made, to see whether its holiday pattern is best. However, it is very difficult for the national Government to say what the best holiday pattern is in every area across the country. But let us be clear. We expect our young people to go to school during term time; we do not expect them to miss lessons unnecessarily—and that includes when their parents unnecessarily take them away from school to go on holiday.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Are not some schools guilty of sending mixed messages to parents when, on the one hand, they caution against taking holidays during term time but, on the other, organise ski trips to countries whose language is not being taught at that school? That takes not only children but key members of staff out of education at the same time. Would not such trips be better taken during the holidays?

Mr. Coaker: Again, that is a matter for the individual school. I do not think that any mixed messages are being sent out by schools or, indeed, by the Government. The Government expect young people to attend school, and we do not expect lessons to be missed unnecessarily. Many of the trips that schools take, whether ski trips or other trips, are a fundamental part of the school curriculum. They make a fantastic contribution to the life of the school and broaden the experience of young people, often in ways that they would not otherwise have the opportunity to undertake.

David T.C. Davies (Monmouth) (Con): The Minister may well remember from his previous position that it is likely that some of these children are being taken out of school to undergo forced marriages in other countries across the world. Will he take more steps than his predecessor did to look into this problem, which affects thousands of young girls in this country, and to try to ensure that it is stamped out?

Mr. Coaker: The hon. Gentleman raises an extremely serious point with regard to young people who go missing in certain circumstances. I know that my hon. Friend the Minister for Further Education, Skills, Apprenticeships and Consumer Affairs has looked into this issue. None of us can be complacent about forced marriage and the apparent disappearance of some young people from certain communities to be taken back home and entered into forced marriage. I take this issue extremely seriously, and the hon. Gentleman is right to mention it.

School Buildings (Expenditure)

6. **Mr. Ian Cawsey** (Brigg and Goole) (Lab): What arrangements he has made to bring forward spending on school buildings to 2009-10. [279164]

The Secretary of State for Children, Schools and Families (Ed Balls): A total of £939 million in school capital funding allocations to schools and to 121 local authorities is being brought forward from 2010-11 to 2009-10 to be spent on school buildings, information and communications technology and other capital items, and to get contracts for local small businesses. It is very disappointing that 27 local authorities chose not to take up that offer, which could have meant a further £183 million in contracts for small businesses in those areas.

Mr. Cawsey: I thank my right hon. Friend for that reply and encourage him to do more of the same. Last week, I visited Scawby primary in my constituency with some local council officers to look at temporary and mobile classrooms that have been there for 30 to 40 years and are literally falling to bits. The council is trying to put together a strategy to replace them, not just at that school but across all its schools, but it finds that the money that is being brought forward can be allocated only to schemes and projects that have been previously approved. If my local council officers are successful in having a replacement strategy, will my right hon. Friend agree to meet a delegation to see how we can secure some capital funding to get rid of these dreadful classrooms once and for all?

Ed Balls: The money was partly for individual schools and partly for local authorities, and they need to have a meeting with my hon. Friend to see whether there is more that we can do about that issue. However, there would have been school money going through to deal with it. I am also pleased to say that his area was not one of the 27 areas that did not bring forward capital money—although that is quite surprising, because the vast majority had Conservative councils.

Bob Russell (Colchester) (LD): Will the Secretary of State encourage his officials, and education authorities, to concentrate on remodelling and refurbishment ahead of demolition and rebuild in order that more projects that can be undertaken, with value for money?

Ed Balls: I will always encourage them to do so. Building Schools for the Future is a great opportunity for school improvement, but it is also an opportunity to ensure that we reconfigure and are more efficient. I know that the hon. Gentleman has concerns about the process that is being followed by his local council—a Conservative council, I believe. I am sure that he will raise those issues with local councillors, and he will do so with my full support for greater efficiency.

Jim Dobbin (Heywood and Middleton) (Lab/Co-op): The funds spent on new schools can provide futuristic buildings such as Woodland primary school in Heywood, which replaces three local primary schools and a special feature of which is extended community provision with a management structure to suit the local community. Will the Secretary of State encourage other primary schools to support their local communities?

Ed Balls: I will do so, and in fact we announced last week more than 100 different projects totalling £200 million, in order to invest in the co-location of services on school sites, which often include health services and wider support for parents. That vision of the 21st century school, with services coming together, is a vital part of our vision for the future of schools. We want to ensure that every parent and every child gets the help that they need, so that children can then learn when they get to school.

Christopher Fraser (South-West Norfolk) (Con): What assurance can the Secretary of State give to projects such as Thetford college, in my constituency, that they will not be jeopardised because millions of pounds are being spent on consultants?

Ed Balls: If I heard the question right, the hon. Gentleman asked whether spending on consultants will jeopardise investment. It is vital to ensure that we get the financing right and that the configuration works, which is why there is a charge for consultants as part of the Building Schools for the Future programme. The hon. Gentleman is absolutely right that we should keep that to a minimum to ensure that the money goes directly into schools, but the greater jeopardy comes from the £4.5 billion of cuts that his party's Front Benchers propose, which would mean that a number of schools in his constituency would not be rebuilt or refurbished. That is the real threat to his constituents.

Sure Start

7. **Judy Mallaber** (Amber Valley) (Lab): What his most recent assessment is of progress in the establishment of Sure Start children's centres. [279165]

The Minister for Children (Dawn Primarolo): There were 3,018 Sure Start children's centres designated by the end of April, offering access to services to almost 2.4 million children under five and their families. We are on track to reach the Government's target of 3,500 centres by March 2010, one for every community.

Judy Mallaber: I welcome my right hon. Friend to her new position and invite her to visit one of the six excellent children's centres in my constituency, which provide a wonderful range of activities for children and support for families and mothers, and which have been shown to have improved the development of young children thanks to the work of our excellent former Labour county council.

What assurances can my right hon. Friend give me about the future sustainability of those centres, and that phase 3 will go ahead, in light of the fact that a new administration has been elected that does not have the same commitment to the wonderful children's centres that have done so much to help our children?

Dawn Primarolo: The Derbyshire experience so far shows an excellent record, as my hon. Friend says. Young children are achieving good levels of development, and there has been considerable progress—above the national average—on narrowing the gap between the lowest-achieving and the rest. Funding from the Department is in place not only for the existing centres but to complete the roll-out of the further nine in Derbyshire by March 2010. I have absolutely no reason to believe that that will not happen. The Sure Start funding is ring-fenced, and the Government will watch closely. Should the local authority decide to follow the Opposition's pleas and cut Sure Start, it can be sure that it will face opposition from both the Government and, I am sure, local parents.

Mr. Graham Stuart (Beverley and Holderness) (Con): Sure Start centres will each, I believe, have a health visitor based at them in future. That is welcome, but does the Minister accept that the universal health visitor service, which provides absolutely vital assessment and support to families throughout the country, has been undermined by this Labour Government? The Minister—a new, fresh, Minister in a fresh team—can announce today that they will commit themselves to the universal health visitor scheme that this country had, and to which its people wish to return.

Dawn Primarolo: I say to the hon. Gentleman that £1 billion is being invested directly into support services in children's centres, which his party will not match. The national health service is funding Sure Start children's services and maternity services, which his party will not match. We see in Sure Start children's centres work by Jobcentre Plus on employment, training and skills for parents, which his party will not match. I can also say to him, having just arrived in the Department after being a Minister in the Department of Health, that discussions between both Departments about expanding and developing the role of health visitors are under way. His party would not answer the plea that he makes to me.

Mr. Dennis Skinner (Bolsover) (Lab): When my right hon. Friend has been to Amber Valley and visited the Sure Start centre there, will she continue to Creswell and Langwith? There, she will see two more Sure Start success stories. We have got not only health visitors but national health service dentists in both places. We want to ensure that that is replicated throughout the country, so let's keep out the Tories with their cuts.

Dawn Primarolo: As my hon. Friend rightly points out, Sure Start children's centres give children the best start in life in education and health. The Government have invested massively in those services, and all would be put in jeopardy by the policies that the Conservative party espouses. It wishes to make more than £200 million of cuts to Sure Start centres. I am delighted to accept the offer to visit my hon. Friend's Sure Start centres. When parents understand how damaged their children's education would be by the Conservative party, they will be clear that Sure Start centres are safe in the Government's hands.

Topical Questions

T2. [279185] **Mr. Andrew Love** (Edmonton) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Children, Schools and Families (Ed Balls): I am sure that the whole House will join me in sending condolences to the family and friends of Jacqueline Fleming, who sadly died yesterday in Scotland after contracting the swine flu virus.

Nine schools in England are currently closed. Seventeen schools and two nurseries that were closed have now reopened. I assure parents that, as the Children's Minister said, we will act at all times on the basis of the best possible medical advice to ensure that children's safety is put first.

In the Budget, we announced additional investment of £655 million in the next two years so that every 16 and 17-year-old who wants to study or take up a training place can do so this September. I am today announcing the regional breakdown of the extra funding that we are providing to ensure that September guarantee. I would like a consensus between hon. Members of all parties about the need to ensure that all young people have the skills and qualifications that they need. It is therefore a matter of great disappointment to me that a consensus on funding the September guarantee is proving so elusive.

Mr. Love: I welcome the Secretary of State's statement on the September guarantee and the £1.5 billion that will come to London in the next year for academic and vocational education for our young people. Does he agree that the investment is particularly important now, at a time of recession? Is it not outrageous that that contrasts starkly with the cuts that the Conservative party would introduce?

Ed Balls: I was pleased to confirm the funding for London and all regions today and show that, with the extra funding that we have agreed with the Treasury, we can now make the guarantee. I assumed that we would get a consensus on the matter. I have now written seven times, as has the Schools Minister, to the Conservative spokesman and received no reply. In the interests of efficiency, we may have to call a halt to the letter writing, but I emphasise that the Labour party will guarantee a place in school or college, or an apprenticeship for every young person aged 16 this September and the Conservative party will not. That says everything one needs to know about the difference in priorities between the two parties.

T3. [279186] **Bob Russell** (Colchester) (LD): On 19 May 2008, I asked the Secretary of State about the future of the Thomas Lord Audley and Alderman Blaxill schools in my constituency. In good faith, he replied:

"Essex county council has explained that its preferred approach is to build on the existing partnership with Stanway school and to pursue a trust."—[*Official Report*, 19 May 2008; Vol. 476, c. 3.]

Regrettably, Tory-controlled Essex county council had deceived the Department and the Secretary of State. Under those circumstances, will the right hon. Gentleman agree to meet me and other representatives of the Colchester community to discuss the future of the two schools, which the dastardly Tories want to shut?

Ed Balls: A new Minister with responsibility for schools offers the opportunity for a new meeting. I remember the remarks that I made. Those plans are, of course, a matter for local decision making, and it is the Conservative authority that is taking them forward. As we have said before, I wish—and I am sure that the hon. Gentleman does, too—that the whole community could be taken forward in consensus. I support the expansion of academies, but the individual decision is a matter for local decision making. The Minister with responsibility for schools would be delighted to have a meeting to ensure that the hon. Gentleman fully understands all the issues as he takes forward his case with his Conservative opponents in his county.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Is the Secretary of State aware that Blackpool primary schools very much welcome the injection of capital funding, so that Anchorsholme primary school can be rebuilt? On a recent visit to Norbreck primary school, I was shown exciting plans to remodel the 1930s premises in which the infant children are educated. Will he or perhaps one of his new and expanded ministerial team take the time to visit Blackpool and see the exciting developments that will bring our schools into the 21st century and help better educate our young children?

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): I would be delighted to go to Blackpool to see for myself the investment in primary schools. It is worth pointing out that there is an additional £3 million in 2009-10 and £5.38 million in 2010-11 for the primary capital programme in Blackpool, and I look forward to visiting and seeing it for myself.

T4. [279188] **Annette Brooke** (Mid-Dorset and North Poole) (LD): The Government's target to halve teenage pregnancies by 2010 will clearly not be met. Indeed, I have heard mention of dates such as 2039 at the earliest. Notwithstanding that, what action will the Government take to extend and modify the teenage pregnancy strategy beyond 2010 to support all those working on this vital issue up and down the country? That should be done sooner rather than later.

The Minister for Children (Dawn Primarolo): I am sure that the hon. Lady would agree that, while recognising that it will be difficult to reach the 2010 target, it is important that we should none the less continue to work with local authorities and primary care trusts to deliver the very best services in both health and education.

Conversations and discussions have already started with PCTs and local authorities. I myself was speaking at a conference only last week on how we can continue to see a reduction in teenage pregnancies and births as we progress to 2010, and on what we need to do after then to continue building on that good work and the achievements that have been made.

Mrs. Ann Cryer (Keighley) (Lab): Does my right hon. Friend remember visiting my constituency a few months ago, when we had an interesting discussion about the problems of children entering school at four with not a word of English? At three schools in my constituency, 95 per cent. of the children enter with no English. We had discussions about the possibility of making funding available to help young mothers who have entered as wives to learn English, in order to help them use it at home, so that their children could start school with at least a little English.

Ed Balls: The visits that we had were very interesting and important, and I am determined to do what more I can to support my hon. Friend in her campaign. I was in Peterborough just a few weeks ago and saw in a local Sure Start centre how the combination of free nursery care for two-year-olds and Every Child a Talker was making huge strides in helping the speaking of children for whom English was not a first language at the age of two. If we can do more in our Sure Start centres to help those young children and their parents, we should definitely do so. I would be very happy to discuss that further with my hon. Friend.

T5. [279189] **Sir Nicholas Winterton** (Macclesfield) (Con): The Macclesfield and Bollington education improvement partnership, under the excellent chairmanship of headmaster Andy Robinson, comprises four high schools, 28 feeder primary schools, a further education college and a special school, and it has established a strong reputation as a model for collaborative work—so much so that Ofsted has described the work of one of the schools as beyond outstanding. EIPs can do a lot to ensure justice and fairness in the allocation of resources, so would the Secretary of State encourage their work?

The Minister of State, Department for Children, Schools and Families (Mr. Vernon Coaker): We would certainly be willing to encourage the kind of examples of educational collaboration that the hon. Gentleman refers to. Such collaboration represents an important step forward, and education partnerships demonstrate the ways in which schools can work together to extend their curriculum and to deal with difficult behavioural issues. They provide a whole range of different ways of offering opportunities that simply would not be possible in one school operating on its own. The hon. Gentleman was right to say that secondary and primary schools were co-operating in this way; that kind of collaboration across the age ranges makes a significant difference. It is much better to have collaboration than to set school against school, which is something that his party sometimes advocates.

Harry Cohen (Leyton and Wanstead) (Lab): Sadly, there are now more Conservative councils, and they are relaxed about pupil exclusions. That means that there will be more exclusions and more kids loitering on street corners and estates. The Government's policy is that the schools in a particular area should share the burden of pupil exclusions, but that is unlikely to happen under these Conservative councils. How will the Government enforce that policy?

Mr. Coaker: My hon. Friend will know that in a recent Ofsted inspection of 18 local authorities, eight were found not to be complying with their legal requirement to make alternative provision for young people who have been permanently excluded from school, six days after that exclusion. We will write to every director of children's services to remind them of their legal responsibility, and we are putting together an action plan to ensure that the entitlement of young people who have been permanently excluded from school is met, and that the provision is of the right quality. I can also assure my hon. Friend that, in addition to receiving that letter, which I intend to write in the near future, those authorities can expect me to check on the progress that they have made in a few months' time. It is wrong that pupils who have been permanently excluded from school are not being given the entitlement to education that they deserve, and we are determined to do something about that.

T6. [279191] **Ann Winterton** (Congleton) (Con): Is the Minister aware of the increased difficulties being faced by smaller charities that deal with children and young people? An example is Visyon, which is based in Congleton but which provides support throughout Cheshire. It provides valuable quality counselling and support to young people, which in many cases prevents their having to be referred to the child and adolescent mental health services. What advice can be given to ensure that these charities can continue to do their proven good work in the future?

Ed Balls: It is vital that charities work together with local authorities to provide the support that children need, especially those with a special educational need. I do not know the details of the charity that the hon. Lady has mentioned, but if she writes to me, I will be happy to take the matter forward.

Ms. Dari Taylor (Stockton, South) (Lab): Will my right hon. Friend confirm that the education maintenance allowance will continue into the long-term future? It has persuaded many young people from low income families in my constituency to stay on at school post-16, and we all want to hear that there is no question mark over this policy.

Ed Balls: The expansion of funding for the September guarantee includes extra funding for EMAs, to ensure that young people can stay on in education. This is a vital part of our September guarantee, and of our extension of opportunity in education. I can assure my hon. Friend that this party will stand by our investment in EMAs and by our September guarantee, but I cannot give her the full reassurance that she wants, because the Leader of the Opposition refuses to endorse or support the continued existence of EMAs, and his shadow education spokesman refuses to back our September guarantee. This tells us everything we need to know about the difference between the two parties and their priorities.

Tony Baldry (Banbury) (Con): Last week, I asked Ministers in the Department for Culture, Media and Sport why so few secondary schools were able to play cricket using cricket balls, and now I should like to ask

the Secretary of State a question about balls. Wasim Khan, who runs the excellent Chance to Shine programme, explained on the "Today" programme that this was because so many secondary schools now no longer have access to their own school playing fields. Does not the Secretary of State think that it is rather sad that schools cannot play competitive cricket using cricket balls because they do not have access to their own school playing fields?

Ed Balls: I attended the Twenty20 match at Lords last night and saw England win. [HON. MEMBERS: "Hear, hear."] Before I went there, I presented a prize to schools that had demonstrated how they were using cricket as a means of taking forward the curriculum and providing opportunity. One school in north Yorkshire was using cricket to learn about science. The other case was a consortium of schools from Tower Hamlets, whose young people were going over to Blackheath to play cricket. The competition, sponsored by the English Cricket Board, is an important part of our ambition to ensure both that more young people can play cricket and that England continues to do as well in future Twenty20s as we did last night.

Iraq

3.31 pm

The Prime Minister (Mr. Gordon Brown): With permission, Mr. Speaker. The whole House will want to join me in expressing condolences to the family and friends of the two soldiers who recently lost their lives serving in Afghanistan: Lieutenant Paul Mervis of 2nd Battalion the Rifles; and Private Robert McLaren of 3rd Battalion the Royal Regiment of Scotland—the Black Watch. Their lives, their service and their contribution will not be forgotten. Their sacrifice reminds us of the dangers our serving armed forces confront every day and of why we must continue to give them all our support.

Our troops first went into Iraq in March 2003 and now they are coming home. In total, 120,000 men and women have served in Iraq during the last six years, so it is fitting that I should now come to the House to talk of their achievements through difficult times; to chart the new relationship we are building with Iraq; and to set out our plans for an inquiry into the conflict.

As always, we can be supremely proud of the way our armed forces carried out their mission—proud of their valour in the heat of combat, which is recognised in many citations for awards and decorations; and proud of their vigilance and resolution amid the most difficult imaginable conditions and the ever-present risk of attack by an unseen enemy. Today we continue to mourn and to remember the 179 men and women who gave their lives in Iraq in the service of our country.

In my statement to the House last December, I set out the remaining tasks in southern Iraq for our mission: first, to entrench improvements in security by putting Iraqis in charge of their own defence and policing; secondly, to support Iraq's emerging democracy, particularly through the provincial elections; and, thirdly, to promote the reconstruction of the country, economic growth and basic services like power and water in order to give the Iraqi people what matters most for their livelihoods in years to come—that is, a full stake in their economic future. I can report that those three objectives are being achieved, and that, thanks to our efforts and those of our allies over six difficult years, a young democracy has replaced a vicious 30-year dictatorship.

In recent months, we have completed the training of the 9,000 troops in 14 division of the Iraqi army, who are now fully in charge of the security of Basra. It was 14 division who, with our and the Americans' help, took on the militia in the crucial Operation Charge of the Knights in spring last year. Since then, violence and crime in the Basra region have continued to fall, while levels of violence across Iraq as a whole are at their lowest since 2003. Provincial elections were held peacefully on 31 January with 7 million Iraqis turning out to vote for 440 different political groupings. The Iraqis ran the elections themselves with only three violent incidents across the entire country, and preparations are now under way for national elections on 31 January 2010.

Since 2003, the UK has spent more than £500 million in Iraq—for humanitarian assistance, infrastructure and promoting economic growth. Support to the health sector has included 189 projects in Basra, including the refurbishment of Basra general hospital and the building of the Basra children's hospital. As a whole, the international community has rehabilitated more than 5,000 schools, as well as constructing entirely new schools and new classrooms in existing schools. Despite high unemployment and the scale of the global recession, economic growth in Iraq this year is predicted to be nearly 7 per cent.

Significant challenges remain, including that of finding a fair and sustainable solution to the sharing of Iraq's oil reserves, but Iraq's future is now in its own hands, in the hands of its people and its politicians. We must pay tribute to the endurance of the Iraqi people; we will pledge to them our continuing support. However, it will be support very different from the kind that we have provided for the last six years. As the House knows, our military mission ended with the last combat patrol in Basra on 30 April. As of today, there are fewer than 500 British troops in Iraq, with more returning home each week.

On the day of that last combat patrol in April, I welcomed Prime Minister Maliki and most of his Cabinet to London. We signed together a declaration of friendship, partnership and co-operation defining the new relationship between our two countries for the future. At the request of the Iraqi Government, a small number of British Navy personnel—no more than 100—will remain in Iraq for long-term training of the Iraqi Army. Royal Navy ships will continue to protect the oil platforms on which Iraq's exports depend, and we will continue to offer training to the Iraqi army as part of a wider NATO mission. We will also offer training opportunities at Sandhurst and elsewhere in the United Kingdom for Iraqi officers of high potential. At the core of our new relationship, however, will be the diplomatic, trading and cultural links that we are building with the Iraqi people, supporting British and other foreign investors who want to play a role in the reconstruction of southern Iraq.

I have discussed with Prime Minister Maliki a plan for British companies to supply expertise to the Iraqi Oil Ministry. Earlier this year, the Mesopotamia Petroleum Company signed a joint venture worth $400 million. Shell is working with the Southern Oil Company to bring to market some of the 700 million cu ft of gas that is currently lost each day by flaring. British companies are now competing for further contracts, and Rolls-Royce and Parsons are currently discussing with the Iraqi Ministry of Electricity proposals for a new power generation infrastructure worth an initial $200 million.

British funding will support lending to 1,000 businesses in southern Iraq, and a youth employment programme that should give training and work permanently to young Basrawis could be rolled out across the whole of Iraq as a result of its success. We are supporting the Iraqi Transport Ministry in the resumption of civilian flights; the Department for International Development and the British Council are working on a major education programme; and Iraq has already identified its first 250 students, an early initiative in Britain's contribution to Iraq's plans for 10,000 overseas scholarships for Iraqi students.

Issues in the region still confront us. Iran is an independent nation that deserves our respect, and the Iranian people are a proud people who deserve democracy. That is why the regime must address the serious questions that have been asked about the conduct of the elections. The way in which the regime responds to legitimate protests will have implications for Iran's relationships with the rest of the world in future.

[The Prime Minister]

The House will note the speech made by Prime Minister Netanyahu, in which for the first time he endorsed a two-state solution. His speech was an important step forward, but there remains a long road ahead of us. I will speak to him again later today to impress on him the importance of freezing settlements.

With the last British combat troops about to return home from Iraq, now is the right time to ensure that we have a proper process in place to enable us to learn the lessons of the complex and often controversial events of the last six years. I am today announcing the establishment of an independent Privy Counsellor committee of inquiry which will consider the period from summer 2001, before military operations began in March 2003, and our subsequent involvement in Iraq right up to the end of July this year. The inquiry is essential because it will ensure that, by learning lessons, we strengthen the health of our democracy, our diplomacy and our military.

The inquiry will, I stress, be fully independent of Government. Its scope is unprecedented. It covers an eight-year period, including the run-up to the conflict and the full period of conflict and reconstruction. The committee of inquiry will have access to the fullest range of information, including secret information. In other words, its investigation can range across all papers, all documents and all material. It can ask for any British document to be brought before it, and for any British citizen to appear. No British document and no British witness will be beyond the scope of the inquiry. I have asked the members of the committee to ensure that the final report will be able to disclose all but the most sensitive information—that is, all information except that which is essential to our national security.

The inquiry will receive the full co-operation of the Government. It will have access to all Government papers, and the ability to call any witnesses. The objective is to learn the lessons from the events surrounding the conflict. It is on that basis that I have accepted the Cabinet Secretary's advice that the Franks inquiry is the best precedent. Like the Franks inquiry, this inquiry will take account of national security considerations—for example, what might damage or reduce our military capability in the future—and evidence will be heard in private. I believe that that will also ensure that evidence given by serving and former ministers, military officers and officials is as full and candid as possible. The committee will publish its findings in as full a form as possible. These findings will then be debated in the House of Commons and the House of Lords. It is in these debates, as well as from the report itself, that we can draw fully upon the lessons learned in Iraq. So while the format is the same as that of the Franks inquiry, we have gone much further in the scope of the inquiry. No inquiry has looked at such a long period, and no inquiry has the powers to look in so much breadth, for while Franks looked only at the run-up to the Falklands conflict, the Iraq inquiry will look at the run-up to conflict, the conflict itself and the reconstruction, so that we can learn lessons in each and every area. The inquiry will take into account evidence submitted to previous inquiries, and I am asking members of the committee to explain the scope, width and breadth of its work to Opposition leaders and the Chairs of the relevant parliamentary Committees.

In order that the committee is as objective and non-partisan as possible, the membership of the committee will consist entirely of non-partisan public figures acknowledged to be experts and leaders in their fields. There will be no representatives of political parties from either side of this House. I can announce that the committee of inquiry will be chaired by Sir John Chilcot and it will include Baroness Usha Prashar, Sir Roderick Lyne, Sir Lawrence Freedman and Sir Martin Gilbert. All are, or will become, Privy Counsellors.

The committee will start work as soon as possible after the end of July. Given the complexity of the issues it will address, I am advised that it will take a year. As I have made clear, the primary objective of the committee will be to identify lessons learned. The committee will not set out to apportion blame or consider issues of civil or criminal liability.

Finally, I am sure the whole House will join me in paying tribute to the courage and dedication of every one of our armed forces, and also our civilian personnel, who have served our country with such distinction in Iraq over six years, and who will continue to do so in Afghanistan and on peacekeeping missions around the world.

At its peak, a force of 46,000 served tours of duty in support of operations in Iraq. In total, 120,000 men and women served over the period of the entire conflict: 179 Britons died and 222 were seriously or very seriously injured, and we remember them all today.

I said in my statement in December that the memorial wall in Basra would be brought home. I can now confirm that it will form part of a new memorial wall to be built at the national arboretum in Staffordshire, and just as it is right that we should pay tribute to the memory of those who have fallen, and to the wounded, so it is right to give thanks for the safe return of their comrades, to show our gratitude to all those who have served, and for us as a nation to celebrate the enduring achievements of all our armed forces. So I can also tell the House that in the autumn of this year a service of thanksgiving and commemoration will be held in Westminster abbey.

We salute our forces today. Through their work, the work of their American and coalition comrades and of the Iraqi security forces, and supported by the courage and vision of those within Iraq led by Prime Minister Maliki, Iraq is emerging from the shadow of 30 years of brutal dictatorship and then conflict. Today, Prime Minister Maliki and his Government can work together for a peaceful and prosperous future. That they can now do so is the ultimate tribute to all who served in Iraq: to their skills, commitment and sheer professionalism; to their great and enduring courage in conflict; and to their immeasurable contribution to reconstruction and to peace.

I commend this statement to the House.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Lieutenant Paul Mervis and Private Robert McLaren, who have been killed in Afghanistan in the last few days.

In the course of the Iraq conflict, 179 British servicemen and women lost their lives. They came from all three services: the Army, the Navy and the Air Force, and their number also included one Ministry of Defence

civilian. Of course, the Iraq conflict caused great division in our politics, our Parliament and our country, but we can all unite over the professionalism and bravery of our armed forces, the service they gave to our country, and the debt we owe to all those who lost their lives.

I start with some of the things we agree about in the statement. Yes, we agree about the need for a strong relationship between democratic Iraq and Britain. We absolutely agree about the need for a two-state solution between Israel and Palestine and welcome what Prime Minister Netanyahu has said. Yes, we need answers about the conduct of those Iranian elections. But I want to focus my questions on the inquiry announced by the Prime Minister.

We welcome an inquiry—indeed, we have been calling for it for many months—but I have to say that I am far from convinced that the Prime Minister has got it right. The whole point of having an inquiry is that it has to be able to make clear recommendations, to go wherever the evidence leads, to establish the full truth and to ensure that the right lessons are learned, and it has to do so in a way that builds public confidence. Is there not a danger that what the Prime Minister has announced today will not achieve those objectives? The membership looks quite limited, the terms of reference seem restrictive, the inquiry is not specifically tasked with making recommendations and none of it will be held in public. So will the Prime Minister answer questions about the following four areas: the timing; the membership; the coverage and content; and the openness?

First, on the timing, this inquiry should have started earlier. How can anyone argue that an inquiry starting six months ago, for example, would somehow have undermined British troops? Indeed, the argument that we cannot have any inquiry while troops are still in Iraq has been blown away today by the Prime Minister's saying that some troops will be staying there even as the inquiry gets under way. As for how long the inquiry takes, the Franks inquiry reported in just six months, yet this inquiry is due to take—surprise, surprise—until July or August 2010. Will delaying the start of the inquiry and prolonging the publication until after the next election not lead everyone to conclude that this inquiry has been fixed to make sure that the Government avoid having to face up to any inconvenient conclusions? At the very least, will the Prime Minister look at the possibility of having an interim report early next year?

Secondly, on the people conducting the inquiry, what is required for an inquiry such as this is a mixture of diplomatic, military and political experience. We welcome the diplomatic experience, but there must be a question mark over the military experience—there are no former chiefs of staff or people with that sort of expertise. In addition, is it not necessary to include, as the Franks inquiry did, senior politicians from all sides of the political divide to look at the political judgments? The inquiry needs to be, and needs to be seen to be, truly independent and not an establishment stitch-up, so will the Prime Minister look at widening the membership in the way that we have suggested?

The third area is the coverage and the content of the inquiry. It is welcome that the inquiry will cover the whole period in the run-up to the war, as well as the conduct of the war, but is it not wrong to try to confine the inquiry to an arbitrary period of time? Should it not be free to pursue any points that it judges to be relevant? On the specific issue of the terms of reference, is it not extraordinary that the Prime Minister said that it should try to avoid apportioning blame? Should not the inquiry have the ability to apportion blame? If mistakes were made, we need to know who made them and why they were made. The Prime Minister was very clear that the inquiry would have access to all British documents and all British witnesses. Does that mean that the inquiry may not have access to documents from the USA, the coalition provisional authority or the Iraqi Government, even if they are kept in the British archive? That is an important specific question and one to which we need an answer. Will the inquiry be free to invite foreign witnesses to give evidence—written and oral?

On the scope of the inquiry, will the Prime Minister confirm that it will cover relations with the United States; the use of intelligence information; the function of the machinery of government; post-conflict planning; and how the Department for International Development, the Foreign and Commonwealth Office and the armed forces work together?

I turn now to the issue of openness and transparency. Given that this inquiry is of interest not only to us politicians but to the public and the families of servicemen and women who gave their lives, should there not be some proper public sessions? Is that not what many will want and many will expect, and is it not part of the building of public confidence that is absolutely necessary?

Finally, are not the limitations of this inquiry reflected in the way the House of Commons is being treated by the Government over this issue? Before the Franks inquiry—we are told that this is a Franks-style inquiry—there was a proper debate on the terms of reference of the inquiry on a substantive motion in the House of Commons. This time—*[Interruption.]* The Prime Minister laughs, but this time there is just a statement and no debate, even though last Wednesday he promised us a new era of parliamentary accountability and democratic renewal. What happened to that? It has not lasted even a week.

A proper inquiry must include a range of members, including senior politicians. It needs to have the freedom to range widely and to speak frankly, and its terms of reference must be debated properly in a democracy such as ours. So when the Prime Minister responds, will he put those failings right?

The Prime Minister: I thank the right hon. Gentleman for his comments about our soldiers who have died in Afghanistan and the contribution they have made. I am glad that he also agrees with what I have said about Iran and the behaviour of the Iranian regime, including the need for it to stop any violence against people who are protesting against the election result peacefully. I also agree with him about the support that we want to give to our troops and the need to take into account at all times, especially as we consider this inquiry, the wishes, views and sensitivities of the families of the people who have died or been injured in the fighting in Iraq.

Almost all the points that the right hon. Gentleman raised are dealt with by the remit and scope—the breadth and depth—of the inquiry. The shadow Foreign Secretary and he spent a great deal of time calling for a Franks-style inquiry, and that is exactly what we have—*[Interruption.]*

[The Prime Minister]

There are repeated references in *Hansard* to the shadow Foreign Secretary and the Leader of the Opposition saying that what they wanted was a Franks-style inquiry, which is what we have got.

The right hon. Gentleman says that the remit of the inquiry is restricted, but I cannot think of an inquiry with a more comprehensive, wider or broader remit than the one that I have just announced. Far from being restricted, it will cover eight years, from 2001 to 2009. Far from being restricted, it will have access to any documents that are available, and that will include foreign documents that are available in British archives. As far as we are concerned, it may interview any witnesses, including British witnesses and witnesses it wants to invite, if necessary, from abroad. I do not think there is any fundamental disagreement between us on the nature of the inquiry, its scope and its comprehensiveness.

I remind the right hon. Gentleman about the timing. The Franks inquiry looked only at the run-up to the Falklands war. Incidentally, it was announced in a written answer to the House of Commons, not in an oral statement. This inquiry will deal with the run-up to the conflict, the conflict itself and all issues of reconstruction after the conflict. With such a broad remit, I cannot think of any set of events that can be excluded that are of importance to Iraq and the future of our relationship with Iraq. It is hardly surprising that if we are dealing with that eight-year period—the run-up to the war, the conflict itself and the aftermath—the inquiry will take time to interview witnesses and take evidence. Its report will be detailed.

I have said that the report should be as comprehensive as possible, given the issues of national security that are involved. In other words, all but the most sensitive of information should be reported to the House of Commons. The lessons that will be learned from the Iraq events will be learned not just from the investigation, but from the debates that will take place in this House when we receive the full report from the inquiry.

As for the membership, I think that there is a difference between now and the Franks inquiry. For eight years, we have had politicians commenting on Iraq one way or another in this House and elsewhere. We would do better in these circumstances to draw on the professional and expert advice of people who have not been involved in commenting on this issue over the last few years. That is why we have what I believe can be regarded as a committee of people who can be regarded as both knowledgeable and expert in their field. I defy the Opposition to criticise the individuals who are named in this inquiry as people who are not capable of carrying out an important piece of work. They are suited for that task, and they will do a good job. I hope that people will recognise that they are respected in their own fields and have a great deal to offer in this inquiry.

The events in Iraq are controversial. They have led to heated debate in this House and across the country, but it is possible for us to work together to learn the lessons of this inquiry. I hope that it will not become the subject of partisan in-fighting. It will be carried out by a respectable group of people who have great reputations throughout our country and I hope that it will receive the support of as many hon. Members as possible.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I should like to add my expressions of sympathy and condolence to the family and friends of Lieutenant Paul Mervis and Private Robert McLaren, who tragically lost their lives in Afghanistan in this last week. Of course I join the Prime Minister in paying tribute to our brave servicemen and women, who have served our country so courageously in Iraq over the past six years. In particular, I pay tribute to the 179 who have lost their lives. They and their families are in our thoughts today.

I passionately believe that we were wrong to invade Iraq, but I am second to none in my admiration for the bravery and dedication of our servicemen and women. Everyone knows that the invasion of Iraq was the biggest foreign policy mistake that this country has made in generations—the single most controversial decision taken by Government since Suez—so I am staggered that the Prime Minister is seeking to compound that error, which was fatal for so many of Britain's sons and daughters, by covering up the path that led to it.

The Liberal Democrats have called for an inquiry into the build-up and conduct of the Iraq war for many years. I suppose we can be grateful that, finally, the Prime Minister has acceded to that demand. However, as is so often the case, he has taken a step in the right direction but missed the fundamental point. A secret inquiry, conducted by a clutch of grandees hand-picked by the Prime Minister, is not what Britain needs. Does the Prime Minister not understand that the purpose of an inquiry is not just to produce a set of conclusions but to allow the people of Britain to come to terms with a mistake made in their name?

I met the families of soldiers who lost their lives in Iraq and just an hour ago they asked me to speak in their name and to tell the Prime Minister that nothing short of a fully public inquiry, held in the open, will satisfy them. Will he at least listen to what those grieving families need?

The Prime Minister says that the inquiry has to be held in private to protect national security, but it looks to me suspiciously as though he wants to protect his reputation and that of his predecessor instead. Why else would he want the inquiry to report after the general election, when we could have at least interim reports before then? It is perfectly possible to have a limited number of sensitive sessions in camera while retaining the fundamental principle that the vast bulk of the inquiry—not just a few public sessions, as recommended by the Conservative leader—should be open to all.

I am grateful that the Prime Minister has listened to my representations and has extended the inquiry to cover the full origins of the war and given it full access to the documents and files that it will need. However, I am disappointed that he made such a feeble attempt to secure consensus on the panel that will conduct the inquiry. The experience of successfully established inquiries, such as the one now being held in the Netherlands, shows that consensus can be secured only if the Government conduct painstaking consultation over a prolonged period of time. Why did the Prime Minister not even attempt that sort of constructive discussion with other parties?

The Government must not be allowed to close the book on this war as they opened it—in secrecy. Last week, the Prime Minister stood at the Dispatch Box and spoke eloquently about the need for more public accountability and transparency. This was his first test.

He has failed. He has chosen secrecy instead. For six years, we have watched our brave servicemen and women putting their lives on the line for a war that we did not support and could not understand. To rebuild public trust, the inquiry must be held in public. Will the Prime Minister, even now, reconsider? Will he make this inquiry a healing process for the nation, or will he turn his back on the legitimate demands of the British people once again?

The Prime Minister: Every Member has the greatest respect for every family that is grieving as a result of what has happened in Iraq. Nothing that anybody says today takes away from our concern about the needs of those families and our respect for them. I want to answer the right hon. Gentleman's specific points about the inquiry, however.

The inquiry is to learn the lessons of what has happened. The inquiry will cover the run-up to the war, the conflict itself and reconstruction after the conflict. I can think of no remit that could be broader than that—to cover the events leading up to the conflict, and the reconstruction after it. The inquiry will cover eight years of our history, and will be a very detailed piece of work that has to be done.

The inquiry will be able to call any witness, and for any evidence. The report will be published and debated in this House. That is exactly how the Franks inquiry went about its work. To be fair to the right hon. Gentleman, he disagrees with using Franks as a model, although the main Opposition party has always wanted that. However, we must take into account national security considerations, and what is known about the capability of our armed forces and security services, and the missions they are undertaking at the moment. We also have to take into account what serving officers will want to say to the inquiry. I think that the right hon. Gentleman will come to recognise that all those things involve a degree of confidentiality that would not suit a public inquiry, where all witnesses give evidence in public. The lesson of public inquiries is that they take many, many years, because everybody who comes before one wants to be represented by a lawyer. We know that from other public inquiries that are taking place at the moment, one of which has already taken eight years and is no nearer to completion now than it was a year ago.

I also ask the right hon. Gentleman to bear it in mind that the matter will come back to the House. It is up to the inquiry to decide how long it will take to do its work. I think that the best way for it to report to the House is with a comprehensive piece of work, rather than through piecemeal reports. In the end, the members of the inquiry team will decide how long it will take them to do the work, but I think the right hon. Gentleman will agree that it will take some time to cover eight years of history in the most detailed way. All witnesses and all evidence can come before the inquiry. I hope that he will agree, on reflection, that those who have been selected and asked to take part in the inquiry are people of high reputation who can do a very good job of work for this country.

Ann Clwyd (Cynon Valley) (Lab): As one who supported the Iraq war, I did so on human rights grounds. I saw no secret material and had no private briefing, but I had a 30-year involvement with the Iraqi opposition. I personally would want assurances from the inquiry as to why, prior to the war, this country failed to indict leading members of the Iraqi regime when we had the legal evidence to enable us to do so.

The Prime Minister: I am grateful for the work that my right hon. Friend has done in Iraq, especially with the Kurdish population. She is regarded very highly by all those whom I meet when I go to Iraq, in particular for the way she has protected the interests of the Kurdish population in that country, who were facing very difficult times under Saddam Hussein. She is party to binding that group together with the rest of the country to make for a stronger future.

Obviously, the inquiry will look at the events from 2001 onwards. However, if it feels that it is necessary to look behind that and before that, it will of course do so.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): As someone who supported the war, I unashamedly continue to believe that history will record that what was done at that time will turn out to be a cause for good, and that a stable and democratic Iraq will be a force for good in the region. On that basis, I hope that the Prime Minister will consider some slight adjustments to this welcome inquiry. The first is that it could have a slightly wider membership and include some ex-military members. To give it a little more cutting edge, it could also include some senior politicians. I recommend that only because I think that a committee without that edge would be a little less credible.

Further, because I believe that there is ultimately nothing to hide, the reality is that some hearings must be held in public. I urge the Prime Minister to think again about that.

The Prime Minister: First, all the military personnel at a senior level who are either retired or serving officers will be in a position to give evidence to the inquiry. I think it important that they are given the chance to do so, and that they can speak frankly. That means that the sessions will be better held in private than in public. I hope that the right hon. Gentleman will agree that the military voice will be listened to as we try to learn the lessons of the war.

As far as serving politicians are concerned, it is probable that, over this eight-year period, there is no one in this House who has not commented in detail about the Iraqi situation. I think that it is better to look for people outside this House who can take an objective view of the circumstances and who are also seen as politically impartial. I hope that, on reflection, the right hon. Gentleman will understand that the difference between the membership of the Franks inquiry and the membership of this inquiry is because of these reasons.

As far as public sessions are concerned, the Opposition called for a Franks-style inquiry; they knew perfectly well, when they did so, that Franks was held in private. The essence of Franks was that it was held in private. If people on the Opposition Benches want to change their mind, it is their right to do so, but what they say is completely inconsistent with what they have said previously.

Mike Gapes (Ilford, South) (Lab/Co-op): I, too, welcome the removal of the brutal, fascist regime of Saddam, and I think that Iraq is a much better country today

[Mike Gapes]

than it could ever have been while the regime continued. However, it is important that the inquiry also look at the origins of the conflict, which did not start in 2001. We were bombing Iraq in 1998. Saddam was gassing the Kurds in 1988. There is a context and a history. I hope that the inquiry will look at the context and the history, and not just start events at 9/11.

The Prime Minister: I do agree that there was a whole series of events leading up to what happened when the conflict broke out in 2003. No doubt the inquiry will be free to take some of those events into consideration, but it must focus itself on a period, which is the immediate run-up to the conflict, the conflict itself and the reconstruction afterwards. I have also to remind the House that we have had four separate inquiries already into some of the events surrounding Iraq: we have had the Foreign Affairs Committee inquiry, the Intelligence and Security Committee inquiry, the Butler inquiry and the Hutton inquiry. It is not as if many of the issues have not been addressed; they have been addressed, but it is important to look at the matter in the round. What we want to do—I think that sometimes we forget this—is learn the lessons, so that they can be applied for the future.

Clare Short (Birmingham, Ladywood) (Ind Lab): We all welcome the demise of the Saddam Hussein regime, but the important question is: could it have been done differently? Could Saddam Hussein have been indicted, and could a lot of Iraqis have not lost their lives? We all agree that we mourn the loss of our soldiers, their injuries and the number of soldiers who are mentally ill, but should we not regret the death of hundreds of thousands of Iraqis and the displacement of millions?

Also, when the Prime Minister rings Prime Minister Netanyahu, could he point out to him that it is not just the expansion of the settlements that is not good enough? The settlements are illegal, and there will be no two-state solution unless the settlements are closed down. That is something that no one is talking about, but we will not get peace without a willingness to move on the settlements.

Lastly, I agree with those who say that the membership of the inquiry is rather feeble. We need senior politicians who understand political decision making, and senior military people who can understand the decisions that were made. The inquiry is welcome, but surely it should be allowed to have hearings in private or in public as it sees fit, rather than having them kept completely secret.

The Prime Minister: First, I do regret the loss of lives of all those who suffered, and the loss of life among any community and any nation. We regret the loss of Iraqi lives, but we cannot deny that the responsibility for what has happened in Iraq lay at the hands of Saddam Hussein. Both the right hon. Lady and I, who served in the Government, knew exactly what Saddam Hussein was trying to do and how he had broken every single United Nations resolution that he said that he would uphold. As far as Israel is concerned, I agree with her that the settlements must be stopped. I agree that this is the advice that we should give to the new Israeli Government: that in addition to embracing a two-state solution that will give security to Israel, as well as the possibility of a viable state to the Palestinians, an announcement about stopping the growth of settlements, and indeed halting settlements, is important to move the peace process forward.

As far as the inquiry is concerned, I just beg to disagree. I feel that the people who have been selected for the inquiry have very respected positions in the public life of this country. I think that when people look at what they have achieved, they will see that they have a great deal to offer. I just repeat this: are there Members of this House who, in the last eight years, have said absolutely nothing, or not been involved in any vote, on Iraq? It is far better to have a non-partisan and impartial group looking at the issues.

Mr. Denis MacShane (Rotherham) (Lab): I welcome the inquiry, and may I say to the Prime Minister that I am surprised that the leaders of the two main Opposition parties are insisting that their political placemen be put on the inquiry? Now is the time, when Parliament is not held in high esteem, to have an independent inquiry. Anyone who has heard Sir Roderick Lyne comment on British foreign policy will know that at times, he is no friend to this Government.

Will the Prime Minister extend the inquiry to take evidence from people in Iraq? People suffered under Saddam's dictatorship and were freed from it, and then had to accept an onslaught from jihadi Islamist extremists, Iranians, al-Qaeda and Syria, which our troops helped to resist. Those groups are responsible for the death of people in Iraq, and we should not let the lie go out that their evil is in any way attributable to the decisions of this Government and the other democratic Governments of the world.

The Prime Minister: I am grateful to my right hon. Friend, and for the interest that he has taken in these issues over many, many years. Sometimes we in the House should have the humility to accept that there are people outside the House who can contribute, perhaps more than we can, to an objective and impartial review of what has happened in Iraq, both in the run-up to the conflict and in the reconstruction that has taken place there afterwards. When people reflect on the list of names before them, I think they will take the view that this is not only a very responsible group of people, but a group of people who can conduct the review with great efficiency and great care. I agree that the review must have the power to listen to all voices that may have something to say them, but that will be a matter for the review itself.

Sir Peter Tapsell (Louth and Horncastle) (Con): As a declared sceptic as early as November 1992 of the existence of the weapons of mass destruction, and as a subsequent opponent of the invasion of Iraq, may I put it to the Prime Minister that the disastrous effect of the war has been to make Iran the dominant power in the whole of the middle east? What the British people well understand is that after the capture of Baghdad, the political management of the occupation was extremely incompetent, as is recognised now in both America and Europe. What the British people want is an explanation, well before the general election 11 months from now, of how it came about that Mr. Blair was able to persuade Parliament to vote in favour of the war on facts which he knew would not stand up to proper examination.

The Prime Minister: I disagree with the hon. Gentleman, but surely the point of an inquiry is to look at all those issues, and that is exactly what will happen. It will look also at whether there were failures in the reconstruction, as well as before that, and it will report on these issues. What happened after the fall of Baghdad will be as much a subject of the report as what happened before. So I hope he will agree that all these issues—that seven-year period—will be looked at by the inquiry, and looked at very fully indeed.

Mr. Robert Marshall-Andrews (Medway) (Lab): In the history of the conflict, two political matters cry out for explanation more than any other. The first is why the House was never informed of the contents of the Downing street minute that revealed knowledge six months before the conflict that the Bush Administration had decided on the inevitability of war, whatever concessions were made. The second matter that requires explanation is why the Attorney-General's opinion on the legality of the war was never shown to the Cabinet before the decision to go to war was made. Neither of those matters—neither of them—affects state security. Neither of them requires phalanxes of lawyers. Why cannot they be ventilated and canvassed in public, and without delay?

The Prime Minister: My hon. and learned Friend has deeply held views on the issues that he has just raised. No doubt he, also, will be able to give vent to those views in the course of the inquiry. Perhaps he may wish to offer evidence to the inquiry.

Sir Menzies Campbell (North-East Fife) (LD): May I say to the Prime Minister that I profoundly regret the nature of the inquiry that he has announced? It is a disappointing response to what is, by common consent, regarded as a catastrophic foreign policy decision. On the form of inquiry that he proposes, can he tell us whether it will have the power not to ask for witnesses, but to compel witnesses to attend and to put them on oath so that their evidence may be verified against that background? Let me ask him, finally, how he thinks the kind of inquiry that he proposes will satisfy the millions of Britons who marched against the war, when the inquiry will meet in private even when the national interest will not require it?

The Prime Minister: I sometimes think the Liberal party forgets, first, that the inquiry is independent of Government. Secondly, its remit covers eight years—the build-up to war and the reconstruction afterwards. With reference to witnesses, I cannot think of the inquiry being satisfied if people whom they want to interview refuse to be interviewed, and I expect that everybody who is asked to give evidence will give evidence. I believe that is exactly what will happen. For the Liberal party or anybody in the House to jump to the conclusion that the inquiry is in some way not independent is completely wrong. It is an independent inquiry, independent of Government, able to take all papers and able to interview any witnesses. I know that the Liberal party wanted it to be held in public, but I think they know also what happens when there are public inquiries. That means lawyers, lawyers and lawyers, whereas people can feel free to give evidence and give it frankly about what we want to hear—that is, the lessons that we can learn from the war.

Andrew Mackinlay (Thurrock) (Lab): The Prime Minister did not answer the key question, which is, will evidence be given under oath? In this matter, there is a history of obfuscation and deliberate deceit by some agencies and individuals—proven deceit, now. Nothing short of people giving evidence under oath will be sufficient to give the inquiry veracity and integrity, so I ask the Prime Minister now, will he assure us that evidence will be under oath? If not, why not?

The Prime Minister: The terms under which evidence will be given is a matter on which we will comment and report later, but I am absolutely sure that everybody who gives evidence will have to tell the truth to the committee. They are under an obligation to do so by the committee's terms of reference.

Mr. David Heathcoat-Amory (Wells) (Con): The delay in the announcement by the Prime Minister and the details of the scope of the inquiry have plainly been designed so that it reports the other side of a general election. Given that—*[Interruption.]* I wonder whether I might have the Prime Minister's attention for a moment; I am trying to ask him a question. Given that Parliament and the people were misled about the causes of and reasons for the war, will the Prime Minister answer the point made by the Leader of the Opposition about the need for an interim report, so that we can learn some lessons about this Government before they have their date with the British electorate?

The Prime Minister: The Franks inquiry was done without an interim report. The Opposition ask for a Franks-style inquiry, and the Franks-style inquiry that we are having will look at the run-up to the conflict, the conflict itself, the reconstruction and the issues about reconstruction afterwards. I think that that is a pretty comprehensive remit—that will take time but must be done in the best possible way. The right hon. Gentleman will accept that if the committee needs the time to do that, it should have the time to do that. It will be a full report from which we want to learn lessons for the future. That is the issue: what lessons we can learn for our military, for our diplomacy, for our security and, of course, for our country's reputation abroad for the future. That is the essence of what we are doing.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): This inquiry is part of a process of holding the Executive to account, but this House has mechanisms for holding the Executive to account: they are called Select Committees. Any member of the Select Committee on Foreign Affairs will have first-hand experience of the limitations of a Select Committee's ability to hold the Executive to account. I, as a Member of Parliament, find it extremely difficult to accept that we are giving privileges to people outside this House, under the guise of independence, when we could have an inquiry that gave Members and Select Committees access to the kind of documents that we are giving to those people, when we could have hearings in public and in private, and when we could come to a view.

The Prime Minister: I understand that my hon. Friend feels strongly about this matter, but she must know that there has been a foreign affairs inquiry by a Select Committee of this House and an intelligence and security inquiry by a Committee of this House. There has also

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been the Butler inquiry and the Hutton inquiry, and we now have an inquiry to look at all the events of the past eight years: the run-up to the war, the conflict itself and reconstruction after the conflict. I cannot think of a wider remit than that, and I do believe that, given that the House has looked at the issue many times, it is right that the Privy Council inquiry get on with the job. It will be able to interview witnesses—either Members or other people—take evidence from anybody it wishes and receive all papers from the Government, and nothing will be kept secret from it. That is the model of the Franks inquiry, and that is what we are following.

Stewart Hosie (Dundee, East) (SNP): May I add my condolences regarding the loss of Lieutenant Mervis and Private McLaren in Afghanistan? The Iraqi conflict has led to the loss of 179 UK service personnel, 4,600 coalition personnel and about 150,000 Iraqi civilians. Their loved ones want to know the cause of the war and why their loved ones fell. If every evidence session is held in private, that may not be possible, so will the Prime Minister think again about holding a secret inquiry? It is the wrong thing to do.

The Prime Minister: I disagree with the hon. Gentleman. The inquiry has to take into account the interests of our national security and to look at the issues that reflect on the capability and deployment of our troops, and it may not be best for that to be made public. It also has to get people to talk frankly about what they believe are the lessons to be learned from the inquiry. If the inquiry were surrounded by lawyers and everybody else in a public arena, that would be more difficult, as the hon. Gentleman would have to acknowledge.

I believe that the inquiry will be thorough and independent, and I believe that the results of the inquiry will be reported to this House. For weeks and months, people have been calling for a Franks-style inquiry; it is quite extraordinary that now that they have a Franks-style inquiry, they are trying to oppose it on cynical grounds.

Mr. Gordon Prentice (Pendle) (Lab): Franks was 25 years ago, and the whole climate of opinion has changed since that secret inquiry. I want the Prime Minister to understand that. I had hoped for a new politics of openness after last week. I am not prepared to accept a secret inquiry into Iraq, and I want the Prime Minister to think again.

May I ask the Prime Minister this? After everything that he has been saying, why on earth did he not consult the official Opposition, the Liberal Democrats and the other political parties on the inquiry's terms of reference, its membership and how long it would take? Why did he take it upon himself again to tell the House what was in its best interests?

The Prime Minister: The Cabinet Secretary did discuss with the official Opposition and the Liberal party issues relating to this inquiry, so my hon. Friend is wrong on his final point. As far as the wisdom of how we do this inquiry is concerned, let us remember that there are issues of national security, issues related to our military, serving officers who may wish to give evidence and people who are working in other arenas at the moment. I do not think that any person who looked at this in detail would say that all these people should give their evidence to the inquiry in public; I think that that person would respect the fact that a degree of confidentiality is necessary. They would also understand, on reflection, that if people are going to be frank with the inquiry about the lessons to be learned, those people will want to be able to give their evidence in private. Just look at the alternative. The alternative would mean a long inquiry, lasting years, in which everybody would be represented by a lawyer rather than by themselves. That is not the way to learn the best lessons from this conflict.

Mr. Speaker: I call Patrick Mercer.

Patrick Mercer (Newark) (Con): Thank you, Mr. Speaker; I am most grateful. The events of the Iranian elections at the weekend will demonstrate just how unstable the region is likely to become. Will the Prime Minister assure the House that plans and resources exist for a British military re-engagement should the Iraqi Government ask for it, and that things will not just be left up to the Americans?

The Prime Minister: The hon. Gentleman, who takes a great interest in these matters, will know that we have signed a new agreement with the Iraqi Government about what support we can give them in training, what naval support we can give them and what help we can give them in the short term, medium term and long term. Obviously, there is a very significant reduction in troops; there will be very few British soldiers on the soil of Iraq, but there will be very close co-operation between our two countries. The arrangements that we have with the Iraqi Government will be similar to the bilateral relationships that are very strong in other parts of the region.

Nia Griffith (Llanelli) (Lab): I fully understand that it would be inappropriate for my right hon. Friend the Prime Minister to go into detail; I would not wish him to do anything that would compromise the safety of the hostages. Can he give me assurances that, in spite of our withdrawal, our Ministers will still be fully involved in making every effort to secure the release of the five hostages—the computer expert and the four bodyguards?

The Prime Minister: I understand the concerns that my hon. Friend has expressed. She has been very vigilant in asking about the welfare of the five hostages. That is something that I have talked about to Prime Minister Maliki on a number of different occasions. I have pressed him to take an interest in the matter directly, and he has done so. We are determined to secure the safe release of the hostages. Some progress has been made, but a great deal is still to be done. The issue is permanently on our desk as something that has to be dealt with. For the safety of those five people, we are doing everything in our power to ensure that they can come home.

Mr. Crispin Blunt (Reigate) (Con): May I remind the Prime Minister that he has yet to answer the question about evidence on oath?

In listening to the Prime Minister's presentation of Operation Charge of the Knights, one could be forgiven for believing that we had something to do with its preparation and planning, when the truth of the matter is that it took place in a British area of responsibility without notice to us, and it was the most graphic

demonstration of the fact that our troops had been invited to take a role way in advance of the political influence of their leaders, and way in advance of the resources that the nation was willing or able to devote to supporting them in the role they were asked to undertake. Sadly, the number of fatalities in Afghanistan looks as though it is about to overtake the number of fatalities in Iraq. There are important lessons here regarding what is happening in Afghanistan. Will the committee have the opportunity to report emerging conclusions on such issues in advance of its final report?

The Prime Minister: I know that the hon. Gentleman is an expert on many of these matters and talks a great deal about them. However, he should take care not to talk down the contribution of our military forces. In the episode in Basra where he says that the British military were not consulted and involved, I do not think he is telling the full truth about what happened in that exercise. We need to have all the facts put out there, and of course that is what the inquiry will do.

Dr. Tony Wright (Cannock Chase) (Lab): I very much welcome my right hon. Friend's announcement of an inquiry. However, will he revisit the advice that he has been given by the Cabinet Secretary—I can understand why that advice was given—in two respects in particular? First, the central purpose of the inquiry is surely not just to learn the lessons, although that clearly is an objective, but to establish the truth of what happened. Secondly, the Public Administration Committee, which I chair, has been taking an interest in the form that any inquiry into Iraq should take. Last week, we held a private seminar of very distinguished people, and we are about to issue a report. I have to say that those people felt that the Franks inquiry was appropriate 25 years ago, but a private Privy Counsellor inquiry would not be thought appropriate now. The worst thing of all, surely, would be to replicate all the arguments we have had about Iraq with similar arguments about the form that an inquiry would take. As I say, I welcome my right hon. Friend's statement, but could he regard it as the beginning of a short process of consultation, so that he can carry the whole House with him?

The Prime Minister: I have read the letter that my hon. Friend has written to me, and I appreciate what he has said about his views and those of other people on this. However, his point is answered by the fact that the range of this inquiry goes through eight years—from 2001 to 2009. What he wanted to be sure of was that all the issues relating to Iraq would be discussed. We could have had an inquiry like Franks only into the run-up to the war; we could have had an inquiry about the conflict itself; we could have had an inquiry about reconstruction. Those are all big issues, and we have an inquiry that covers them all. The range of the inquiry is as big as it could be, as a result of the decision that we have made. Some of the points that my hon. Friend's Committee, or he, wanted to make to me concerned being sure that the range of the inquiry was sufficiently wide so that all these issues can be dealt with, and that is the case.

Mr. Mike Hancock (Portsmouth, South) (LD): In the Prime Minister's answer to my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), he suggested that having this inquiry in secret would mean that he, or we, would get the answers that we required. Does he not understand that it is the British people who require these answers, and that what they require is the truth of what led up to this war? Will he ensure that, if possible, any of the taped conversations between the then Prime Minister, Tony Blair, and the then President of the United States are made available to the inquiry? Will he also ensure that all the recorded telephone calls between the then Prime Minister and President Bush over that period are made available? Can I ask him again not to think about what he wants to hear from the inquiry but to consider what the British people want to hear? What they do not want to hear is that the inquiry is being held in secret. Everyone can accept that part of the inquiry would, for security reasons, necessarily have to address that fact, but most of it—

Mr. Speaker: Order.

The Prime Minister: The hon. Gentleman asks that the inquiry deal with issues surrounding the run-up to the conflict. That is exactly what the inquiry is going to do—it is going to start in 2001. He wants to be sure that it will look at the issues surrounding the decision that was made to go into conflict. That is what the inquiry will do—it will look at all those issues. The disagreement between him and us is about whether we have a Franks-style inquiry, which both the main parties have asked for, or a fully public inquiry. I have given him the reasons why a fully public inquiry does not seem to me to be appropriate when we are dealing with issues of national security and issues affecting the military.

Mr. David Hamilton (Midlothian) (Lab): May I say to my right hon. Friend that the most important decision that any MP makes when coming here is one such as the decision that we took to send our troops into Iraq? I have felt that way ever since I came here, and I have never once asked a question that would embarrass our troops or the Government during that period. I have always waited, in the knowledge that there would be a public inquiry at the end. I am therefore extremely disappointed that we are talking about an inquiry that will be limited in its remit.

At the end of the day, I have always said to my constituents that we need an inquiry for two reasons. One is that we must learn the lessons of the mistakes that were made. The second is that the truth must come out, and the general public need to know the truth. It is important for people to understand that when they give advice to Prime Ministers, there will be a day of reckoning. A public inquiry is the only way forward to deal with that.

The Prime Minister: I am grateful to my hon. Friend. He has always stood by the armed forces of this country when they have been in conflict, and I appreciate that he holds strong views about the issue. I just say to him that while the inquiry will be done in private, the report will be fully published for people to debate in this House. People will be able to see for themselves what conclusions are drawn by the inquiry. At the same time, as I said to the House earlier, I have asked the inquiry to publish all the information other than the most sensitive military and security information. The House will therefore have a chance to debate a fully comprehensive report that covers eight years and covers all issues in the run-up to, and aftermath of, the conflict.

Point of Order

4.31 pm

Damian Green (Ashford) (Con): On a point of order, Mr. Speaker. On the Order Paper last Thursday, it was announced that the Third Delegated Legislation Committee would discuss three statutory instruments implementing the identity card scheme. In yesterday's *Sunday Times* we read that those debates had been postponed until next month because the Home Secretary had launched an urgent review of identity cards, paving the way for

"a possible U-turn on one of Labour's flagship policies."

Have you been given any indication that Ministers are preparing to come to the House to make a statement about the scrapping of the ID card scheme? If they are, it would be extremely welcome on these Benches.

Mr. Speaker: I have had no indication, because it is not a matter for me. It is a matter for Ministers as to when they come to the House.

Opposition Day

[13TH ALLOTTED DAY]

Rural Communities (Recession)

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Prime Minister.

4.32 pm

Nick Herbert (Arundel and South Downs) (Con): I beg to move,

That this House recognises the serious impact that the economic downturn is having across the country; notes the specific impact of the recession on rural communities, with recent job losses affecting key rural industries; further notes with concern that levels of economic inactivity are higher in rural areas and believes that increased redundancies will fall particularly hard on small rural communities; further notes that rural communities, already suffering from the closure of key services and the Government's failure to provide affordable rural housing, are finding it harder to cope with rising unemployment, with those out of work lacking adequate support; is concerned that the recession is exacerbated by the burden of regulation, increased payroll costs and problems accessing credit for small businesses; believes that too little say has been given to people in rural areas with decisions taken centrally; and calls on the Government to show more respect to rural communities and return power to local people.

We have called this debate because we want to draw attention to the impact that the recession is having on rural communities. In many ways, those communities are already fragile, and when faced with economic difficulties they can be left even more exposed. We also want to ensure that the economic potential of rural areas is harnessed, so that they can emerge stronger from the recession and help contribute to the UK's recovery by driving sustainable growth.

I am disappointed that the Secretary of State for Environment, Food and Rural Affairs is not here in person to put the Government's case, particularly as only last week the Prime Minister said that he wanted to make the Executive more accountable to Parliament and the people. So much for the latest relaunch. Perhaps we should not be surprised. The word is getting around in the countryside that the Secretary of State is not really interested in the rural aspect of his brief, and today he has proved the point. In his place we have the junior Minister, the Minister of State, Department for Environment, Food and Rural Affairs. I mean no personal disrespect, and I genuinely congratulate him on his appointment, but he is the fifth Minister of State in five years. What signal does that send to rural communities about the priority that this Government give to farming, rural people and the countryside?

Mr. Tobias Ellwood (Bournemouth, East) (Con): My hon. Friend makes an important point about the signal that the Government are conveying to the nation. What signal does it send when we look at the Labour Benches and see only one Back Bencher present in the important debate?

Rob Marris (Wolverhampton, South-West) (Lab): Quality, not quantity.

Mr. Ellwood: Perhaps we should ask the House authorities to check whether the Annunciators are working in the offices of Labour Members—perhaps they are not aware that the debate is taking place.

Nick Herbert: I agree with my hon. Friend. Despite the high quality of the one Labour Back Bencher who is present, the fact that Labour Members simply have not bothered to turn up for the debate says something about their concern for rural issues. Despite their frequent claims that several Labour Members represent rural seats, when it comes to a debate, they do not think the subject sufficiently important for them to be here.

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): I bring apologies from the Secretary of State. We take exception to the accusation that he is not committed to the countryside—he is. As the hon. Gentleman knows, we have scheduled a debate on Thursday to discuss those matters.

Nick Herbert: Perhaps the Minister would like to intervene again and tell me whether the Secretary of State will lead that debate. We would welcome that. It will be the first agricultural debate in Government time under the Labour Government.

I was reporting not my view, but the widespread view in the countryside about the Government's interest in rural people. I am afraid that the Secretary of State's absence will serve only to reinforce it, and the Minister should take that message back to him.

Mr. Michael Ancram (Devizes) (Con): Is not part of the problem the Government's perception in the past 12 years of rural areas and the countryside as a theme park rather than a living, breathing economic organism? That is why, when things get hard, they have not a single answer to give.

Nick Herbert: I agree with my right hon. and learned Friend. It is important to remember that rural areas are not a theme park. We cannot allow rural communities to be dormitories, where people only live, then go to work somewhere else. We must have sustainable, vibrant communities and remember the importance of farming and agriculture in those communities to manage the land. Farmers need to be allowed to get on with their businesses.

Rob Marris: Will the hon. Gentleman give way?

Nick Herbert: I will happily give way to the quality Labour Member.

Rob Marris: I am grateful to the hon. Gentleman for being so generous. I agree with him about the importance of farming and farming communities. I am a little disappointed that neither the motion nor the amendment says anything about food security, which is vital for our country as well as rural communities, for example, to ensure employment and housing so that agricultural workers can live and work in those communities. Will the hon. Gentleman say something about food security for our country?

Nick Herbert: I agree with the hon. Gentleman about the importance of food security. He knows that we had an Opposition day debate on it last year. My right hon. Friend the Member for Witney (Mr. Cameron) spoke at the National Farmers Union conference last year, when he led the debate about the subject and I talked about it to the NFU conference this year. Conservative Members have been drawing attention to food security—indeed, my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) will consider it in the debate on farming and agricultural matters on Thursday.

The economic downturn affects every community, but the impact on rural areas can all too easily be overlooked. There is a myth that rural Britain is wholly affluent, but 1.6 million people in rural areas live in poverty. One in five households in the most rural areas live in fuel poverty—double the proportion of fuel-poor households in urban areas. Around one in six people who suffer from deprivation are found in rural areas.

It would also be a mistake to believe that a slightly more rosy scenario for some sectors in farming after real difficulties in recent years means that we do not need to worry about the countryside compared with the rest of the economy. Farming may have had a slightly easier time recently, with increased incomes and strengthened exports, but there are continuing difficulties and underlying fragility. Hon. Members of all parties will know about the recent collapse of Dairy Farmers of Britain, which highlights the serious problems that our dairy industry faces.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Does my hon. Friend agree that, when an employer or business goes bust in an urban area, the Government fight tooth and nail to try to show that they are doing something, but when Dairy Farmers of Britain went into administration, threatening the livelihoods of some of my dairy farmers in Lancaster and Wyre, the silence from the Department was deafening?

Nick Herbert: My hon. Friend makes a strong point. There is enormous concern in the agricultural community about the collapse of the co-operative and the impact on producers, who may be unable to sell their milk to alternative sources. We look forward to hearing what the Government say about that on Thursday. It is particularly important that the banks should have regard to the continuing viability of many of the businesses affected while they make short-term arrangements to change their purchasers and that they should regard those businesses with sympathy. My hon. Friend raises an important issue about the distinction between how the Government responded to the banking collapse and the collapse in the car industry and how their stance does not seem to be as high profile when it comes to an important sector of the agricultural industry, and one that puts food on our tables.

Julia Goldsworthy (Falmouth and Camborne) (LD): The hon. Gentleman has just referred to the impact of the collapse of the car market on urban areas, but does he accept that it can also have an effect on the supply chain in more rural areas? One of the businesses in my constituency manufactures high-quality tools. Its business is being severely affected by the downturn in the car market, but it does not qualify for any support. Do the Government not need to ensure that the supply chain receives the same support from which larger employers in more urban areas seem to benefit?

Nick Herbert: The hon. Lady makes an interesting point, which is a reflection of what I want to say about the potential of rural areas to foster such businesses. She mentioned a small manufacturing business. With the right policies and support, rural areas offer huge untapped potential for such businesses. We must have

[Nick Herbert]

regard to the fact that the countryside is home to many small manufacturing businesses, as well as farming and the more conventional rural businesses that we all tend to think of.

Although a vital industry, farming accounts for only a small part of the rural economy. As the House will have an opportunity to debate agricultural issues on Thursday, I want to focus today on the wider rural economy and the effect of the recession on it. Although rural areas have lower rates of unemployment overall, in the year to April, the average annual increase in jobseeker's allowance claimants across rural districts was 131 per cent. Some of the steepest rises in the unemployment rate have been in sparsely populated and peripheral rural districts. The number of people chasing every unfilled vacancy in many peripheral rural districts is far higher than the average across Britain, and in the worst cases—Restormel in Cornwall and Staffordshire Moorlands, for instance—it is actually higher than in major urban unemployment blackspots.

Mr. William Cash (Stone) (Con): My hon. Friend just said that farming forms a relatively small part of the rural economy, but with respect to the part of my constituency that lies in Staffordshire Moorlands, as well as the rest of the rural area of my constituency, does he acknowledge that some of us would disagree? Dairy farmers in Staffordshire are having an extremely difficult time, which is very much to do with how the legislation and regulations from the European Community and elsewhere operate against them.

Nick Herbert: I urge my hon. Friend not to misunderstand what I said about farming. I said that farming was a vital industry. It is factually correct that it accounts for only a relatively small part of the economy; nevertheless, it is a primary industry and a significant employer. It also manages the land, and it is vital that we should have a viable, successful and competitive farming industry. The Conservative party has been robust in making that case, and that applies as much to Staffordshire, as an important farming county, as it does to other parts of the country.

Stewart Hosie (Dundee, East) (SNP): The hon. Gentleman spoke about the rise in unemployment in rural areas. He will be aware that many small rural towns have already lost staffed jobcentre offices. Does he see the loss of such offices in those communities as creating a problem in offering jobs to people in rural areas when the upturn comes?

Nick Herbert: The hon. Gentleman must have extraordinary prescience, because I was about to come to that very point. Support for jobless people in remote areas is crucial, yet nearly one fifth of rural jobcentres were closed in the past two years, when the number nationally has been increasing. I wonder whether the Minister would like to say something about that or about its impact on people in the countryside who have lost their jobs and are now seeking work.

Citizens Advice reports that the increase in debt cases among people living in rural areas in the second half of last year was more than twice the increase in urban areas, with a 20 per cent. rise in cases among people in sparsely populated rural villages. In the final quarter of last year, insolvencies and bankruptcies were higher in regions with predominantly rural populations. The Country Land and Business Association's latest rural economy index survey has found that confidence is improving, but half of the respondents still lacked confidence in the outlook for the rural economy.

In the Secretary of State's response to the Rural Advocate's report on the economic potential of the rural economy, he said that there was

"no such thing as a separate 'rural economy'".

Of course I understand his point, and there are links between the urban and rural economies, but the danger of such remarks is that they suggest that Ministers do not appreciate the realities of rural life. The simple fact is that, in a rural area, people's work and services are often further away from where they live. Government measures such as increasing fuel duty and the tax on 4x4 vehicles can therefore hit rural workers, particularly the low-paid, disproportionately hard. The Commission for Rural Communities has noted that fewer than half the residents in villages and hamlets live within 13 minutes of a bus stop with a service at least once an hour, compared with 95 per cent. of urban residents.

For rural small businesses and people working from home, access to the internet is crucial. We are told that the vast majority of the population can get some form of broadband, with 97.9 per cent. of households currently getting a speed of at least 1 megabyte a second. That sounds good, but the truth is that half a million households cannot obtain those speeds, and more than half of those get no acceptable level of internet connection at all, as I know from my rural constituency and I am sure many of my hon. Friends will know from theirs.

Only last week, at the South of England show, one of my constituents in the south downs area—which is less than 50 miles from London—told me that he had been paying £11,000 a year for a 2 megabyte connection to his converted farm buildings. Such costs for a poor connection, which would be cheaply available in an urban area, are undermining farm diversification and the potential for rural development. For businesses in the future, broadband speed will really matter, so the Government's commitment to making 2 megabyte broadband available to "virtually everyone" is welcome. However, we will await Lord Carter's final report later this week to find out what "virtually everyone" really means. There is a risk that the digital divide between cities and rural areas will grow wider still, when super-fast fibre-optic broadband is rolled out to cities and large towns, but not to rural areas.

Mr. Jamie Reed (Copeland) (Lab): I am grateful to the hon. Gentleman for giving way, and I apologise to all Opposition Members who have been waiting with bated breath for my contribution to the debate; I have been making my way here from a rural constituency. The hon. Gentleman is making some very good points, but before he goes too much further, will he proffer a definition of "rural community" and "rural people"? I genuinely think that we could work together on trying to understand that, for the benefit of everyone. Does he also agree that, in addition to a rural-urban divide, there is also a divide between rural areas in the north and the south of England?

Nick Herbert: The Commission for Rural Communities mentions two definitions of rural communities. The standard one, the DEFRA definition, relates to communities of fewer than 10,000 people. In my constituency, for example, all the villages and small towns have fewer than 10,000 people, so it amounts to a genuinely rural constituency. There is another definition, which relates to the rural nature of local authorities. The hon. Gentleman mentioned discrepancies between the north and the south, but it is possible to find rural deprivation in the rural south as well—certainly in the south-west. The discrepancies between the rural deprived and the more affluent are more important than a north-south geographical divide, in my view.

Such disparities are not only about fairness. If rural businesses are disadvantaged, we waste huge potential. Rural areas are home to a quarter of all England's businesses, employing 5.5 million people and with a total turnover of £300 billion. There are higher rates of self-employment and new business start-ups in rural areas, and more businesses per capita than in urban areas.

Mr. Henry Bellingham (North-West Norfolk) (Con): My hon. Friend is making an excellent speech, and I am sorry to interrupt him. He mentioned small businesses and farm diversification. Does he agree that such businesses are often critically dependent on banking finance and credit, which, at the moment, are becoming more and more difficult for them to obtain? That should be an absolute priority for the Government. There are many things over which they have no control, and many things that are going to cost money, but using their influence over, and shareholding in, the major banks would help to solve that problem.

Nick Herbert: I am always happy to give way to my hon. Friend, and I strongly agree with him. Access to credit is vital for the small businesses that are the lifeblood of rural areas. I will deal directly with that point shortly.

Mr. Ellwood: Will my hon. Friend join me in paying tribute to an important part of rural business—the tourism industry? It is our fifth biggest industry and it does well in this country in spite of, not because of, Government. Tourism has been pushed out to the RDAs, which do not provide the level of support that our businesses need. One example is the £35 million put through by DEFRA, which has not reached the farms that want to diversify into tourism during these difficult times; instead, it has gone to the regional development agencies and got sucked into the bureaucratic system, never to be seen on the front line of tourism.

Nick Herbert: I agree with my hon. Friend about the importance of tourism as a major rural industry. It is particularly susceptible to regulation, so we should have regard to the regulatory burden on, for example, farm businesses that want to diversify into tourism. I shall come to the role of the RDAs, and particularly the question of whether that role is right for rural businesses.

Mr. Greg Knight (East Yorkshire) (Con): May I take my hon. Friend back to what he said a few moments ago? Does he not accept that it is of the greatest importance that rural areas have access to high-speed broadband? We must not see a two-tier system in this country, with communities that are already geographically isolated now becoming digitally isolated.

Nick Herbert: I agree with my right hon. Friend. As I said, there is a danger of a growing digital divide—we already have a digital divide—and the challenge for the Government is how higher-speed broadband can be financed. We hope to hear more about that from the Government this week, including whether there is any potential to lever in substantial private finance to ensure wider access to high-speed broadband. Another crucial issue for the long-term potential of economic growth in rural areas in the digital age is having a decent broadband link, which many rural areas are simply lacking at the moment. This should be regarded as an infrastructure challenge, which must be discussed further, but no one should underestimate the huge sums of money that would be involved.

The untapped potential of rural businesses could be key to driving the recovery of the UK economy and helping to create sustainable growth for the long term. Stuart Burgess, the Rural Advocate and chairman of the Commission for Rural Communities, said that

"our rural communities have much unfulfilled potential...The challenge is to extend growth and productivity across more firms, employees and communities in rural England."

In the short term, however, we need to help rural businesses weather the downturn. As the Government have admitted,

"rural economies are heavily dependent on small and medium-sized businesses and this is one of the sectors thought to be most under threat"

from the downturn. We have thus proposed a range of positive measures to get the economy moving again that will also help businesses in rural areas.

We have called for a reduction in corporation tax rates on small companies from 22p to 20p by reducing complex reliefs and allowances. The majority of rural enterprises employ fewer than 10 people and many employ fewer than five. In order to help with payroll costs, so that rural businesses can keep staff on and employ new staff that are looking for work, we have argued for cuts of 1p for at least six months in national insurance contributions for businesses with fewer than five employees. We would give smaller businesses greater access to the £125 billion Government procurement budget by cutting red tape, advertising online all contracts worth more than £10,000 and simplifying the pre-qualification process.

We would help thousands of small rural firms by making business rate relief automatic for eligible small businesses in England, and we would reduce the burden of regulation to give businesses more freedom and greater flexibility. The problems of steep increases in the costs of loans and overdrafts for otherwise successful businesses during seasonally quiet periods is a particular challenge for tourism and other businesses prevalent in rural areas.

Of the 25 local authorities with the highest unmet demand for affordable credit, four are classified as rural and eight have significant rural populations. Our proposed £50 billion national loan guarantee scheme to get credit flowing again would also help, as my hon. Friend the Member for North-West Norfolk (Mr. Bellingham) argued. As the Commission for Rural Communities has argued,

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businesses need more flexibility for paying VAT, so we would allow small and medium-sized enterprises to defer their VAT bills for up to six months, potentially meaning the difference between survival and failure. Those are all practical measures to help the rural economy in the current downturn.

Dr. Andrew Murrison (Westbury) (Con): Does my hon. Friend agree that another practical measure that the Government could take is to ensure that food is properly labelled, so that consumers can determine what is British and what is not, and, in particular, what is produced to our extremely high standards of animal welfare and what is not? That is a simple measure that the Government could take immediately to help the rural economy.

Nick Herbert: I strongly agree with my hon. Friend. As he will know, we have been running an "honest food" campaign with the support of the farming industry and the animal welfare organisations, arguing for compulsory country-of-origin labelling so that people know where their meat and meat products come from and we do not unfairly disadvantage our own producers. Our simple proposition is that food labelled "British" should come from animals born and bred in Britain. The campaign has widespread public support. We continue to look to the Government to act on our proposals in the European Commission and, if necessary, to introduce a scheme of their own. I hope that the Minister will recognise the importance of that issue to the farming industry.

Mr. Jamie Reed: I am extremely grateful to the hon. Gentleman for giving way. He is being very generous with his time in allowing as many Members as possible to intervene. Does he agree that in many parts of this country, particularly rural areas, the recession is not a new phenomenon? Many parts of rural England have been in recession for 40 years. Might not the answer to what is often predominantly market failure be fewer market solutions and more state interventions?

Nick Herbert: There has certainly been significant rural deprivation in many parts of England for some time, and I want to refer to some of the ways in which I think that it can be addressed without state intervention. Indeed, I would argue that the form of state intervention that we have experienced has been largely ineffective.

Rob Marris: Will the hon. Gentleman give way?

Nick Herbert: I shall make some progress, if the hon. Gentleman does not mind.

In the long term, we need to ensure that rural communities are vibrant and viable. That means ensuring that there is access to local services, and providing affordable housing. The present Government's record on rural services is lamentable. Hundreds of small rural schools have closed over the past decade, despite Labour's promise to keep them open. As the Minister knows only too well, 1,400 rural communities have lost their post offices since 2000. Two thousand local shops are closing every year, and, according to one estimate, 42 per cent. of small English towns and villages no longer have a shop of any kind.

The beer duty increase in the Budget has further damaged a fragile sector and we are seeing rural pubs closing at the rate of two a day. The average annual wage in the most rural areas is £7,000 lower than it is in the most urban areas, but the average price of a home for first-time buyers is £16,000 more. There is clearly an urgent need for affordable rural housing, but Labour's top-down housing targets have failed to deliver. We need to reverse the trend of centralisation and end the years of thoughtless Whitehall diktat so that the needs of rural communities are respected. We will allow towns and villages to create local housing trusts to build new housing to benefit their communities. Provided that there is strong local support, those bodies will have the power to develop new homes without the burdens of the regional planning system.

Three years ago, Members on both of the House supported the Bill that became the Sustainable Communities Act 2007, which requires central Government to make clear how much money they spend on local services in each area and gives councils and communities a far greater say in how that money is spent. The Government agreed that reports on public spending under the Act would include quangos, but Ministers are now backtracking on that pledge, which is unacceptable. The public want more influence over decision making, and that means more information.

It is time to go further and return real power and decision making to individuals and communities wherever possible, so that people have a genuine say in the matters that affect them locally. This Government have been obsessed with regional government, and a plethora of quangos are now ruling rural areas and disbursing funds without local accountability. We will allow councils to establish their own local enterprise partnerships to take over the economic development functions and funding of the regional development agencies. If power is devolved and decisions are taken as close as possible to the people they affect, the social value of rural services, as well as their economic value, will be appreciated. Above all, people in rural communities would be reconnected with decision making at a time when politics in Westminster has never been more remote from the people.

This Government have presided over a decade of disrespect for rural communities. They have ignored local concerns and imposed national policies regardless of their impact. It is time for a different approach. Of course rural areas deserve fair treatment, but it is not just a question of fairness. All parts of the country are suffering in the recession, and the rural economy could be a great national resource for the future. It could help to deliver jobs from growth in small businesses and new sustainable forms of working, but making that happen will require a Government who understand rural areas and are willing to listen, and a Government who respect rural communities and are ready to trust and empower them. As I am afraid the Secretary of State has demonstrated by his absence from this debate today, that leadership will not come from this tired and discredited Government.

5.1 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"recognises the serious impact that the economic downturn is having across the country and the support the Government is providing to people, communities and businesses to come out stronger and build Britain's future; notes that the Government has introduced new measures to increase financial aid for rural businesses through the Rural Development Programme for England as a response to the economic downturn; welcomes the Taylor Report's work on making sure rural communities have affordable housing and sustainable economic opportunities; commends the work of the Homes and Communities Agency to build 10,300 rural affordable homes between 2008 and 2011; applauds the Government's commitment to connect communities and support local businesses with a minimum guarantee of 2MB broadband for virtually everyone in the country; notes that unemployment levels in rural areas remain below those in urban areas and is committed to helping maintain high levels of employment in rural areas; expresses serious concern about the impact on rural communities of the Opposition's promised 10 per cent. cut to the budgets of most Government departments that assist people in rural areas; and supports the Government's commitment to continue to work with the Commission for Rural Communities, Regional Development Agencies and local communities and businesses to help people through these difficult economic times."

First, I would like to take this opportunity to say how pleased I am to be taking up my new post at the Department for Environment, Food and Rural Affairs—and I am grateful to the hon. Member for Arundel and South Downs (Nick Herbert) for his words of welcome. I pay tribute to my predecessor, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy). She is held in great affection by the agriculture industry, and I will have a difficult job in following her.

I greatly welcome this opportunity to focus on the challenges faced by people who live and work in rural areas.

Mr. Cash: Will the Minister give way?

Jim Fitzpatrick: I have not said anything yet, but I am very happy to give way to the hon. Gentleman.

Mr. Cash: With respect, the Minister has already said something about his predecessor, and I rise to make a simple point. I wrote to DEFRA on 1 April with a detailed request for certain pieces of information that are highly relevant to this debate. I still have not received a reply, and on behalf of my farmers, who have been having a very difficult time, I ask the Minister to make sure that I receive one as soon as possible.

Jim Fitzpatrick: I am only too pleased to apologise to the hon. Gentleman on behalf of the Department, and I will endeavour to look up his correspondence and respond at my earliest opportunity.

The rural White Paper in 2000 set out for the first time a full rural affairs agenda. DEFRA, the first Department with an explicit remit for rural affairs, was created in 2001. Having reviewed the White Paper in early 2004, we followed up with the rural strategy later that year. It was far-reaching, and aimed to build on the economic success of the majority of rural areas, while tackling those that were felt to be at either economic or social disadvantage. That strategy still underpins the Government's approach to rural affairs; it is one of equity and fairness.

As we now know, one in five people in England live in a settlement of fewer than 10,000 inhabitants—that is about 10 million people in all. Our rural communities are home to about 1 million businesses, providing more than 5.5 million jobs. There are more businesses for every 10,000 people in rural areas than there are in urban areas.

Mr. Wallace: I am grateful to the Minister for making the point about fairness and justice for all. Does he therefore think it is fair that a ghillie or shepherd who checks their sheep in a 4x4 up in the hills has to pay the same amount of punitive vehicle excise duty as someone driving a Range Rover in Chelsea?

Jim Fitzpatrick: I acknowledge the issue raised by the hon. Gentleman. These are choices that individuals make. I recognise the need for 4x4s in rural areas. We try to make sure that tax arrangements are as equitable as possible, but there are inequalities all around the system.

As I have said, there are more businesses for every 10,000 people in rural areas than there are in urban areas. They have a combined turnover of more than £300 billion per year. Of course, rural England is not a single, homogenous entity; it takes many forms. Going by a wide range of social and economic indicators, rural areas are performing well; their performance is usually on a par with, or better than, urban areas, and that may surprise many. The evidence suggests that most of rural England is well connected, with strong links to nearby towns and cities and good access to local markets and job opportunities. That is why our rural areas have been performing well in both social and economic terms.

Mr. Bellingham: The Minister mentioned employment prospects and getting advice on employment. Does he share my concern that the Department for Work and Pensions—I know it is not his Department—has closed two jobcentres in west Norfolk? That basically breaks the link involving advisers and those in jobcentres who can give immediate input to people who are trying to find or move jobs. Such people now have to travel a great deal further to get that advice, and if someone does not have a car in a place such as Norfolk, they very often do not have a job, and vice versa.

Jim Fitzpatrick: I understand that the DWP has suspended any further closures, particularly in these difficult economic times, but I recognise that there has been a rationalisation of jobcentres and benefits agencies, the creation of Jobcentre Plus and an attempt to ensure that appropriate and necessary assistance is provided as efficiently as possible.

Economic development in a rural context needs to be based on a 21st-century understanding of businesses in rural areas—one that is not constrained by a nostalgia but that recognises the dynamism, diversity, interconnectedness and value of our rural businesses and communities. In many respects, rural communities are no different from any other; people there want not only well-paid and secure employment and somewhere decent to live, but long and healthy lives and a good education for their children. It is therefore perhaps no surprise that the impacts of the current recession on rural areas are very similar to those in urban areas. More specifically, when the comparison is made with urban areas the emerging picture in rural England is one of lower risk, higher resilience and higher recovery prospects. So it is worth pausing for a minute to examine what is really happening in rural areas.

In April 2009, 2.5 per cent. of the working-age population in rural England were claiming unemployment-related benefits, compared with a figure of 4.6 per cent. in

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urban areas. The labour force survey for the first quarter of 2009 showed that 18.5 per cent. of the 254,000 people made redundant in the previous three months came from rural areas—the percentage roughly corresponds to the 19.3 per cent. of the population who live in rural areas. The agriculture industry is specifically helped by the stability of demand for its produce, compared with other sectors of the economy. New tractor registrations—not a statistic that I have cited much in my political past, but one that I shall be looking at in future—which are traditionally regarded as a bell-wether of the industry's confidence, increased by more than 6 per cent. in the first four months of 2009 compared with the same period in 2008.

Rob Marris: On that point, is my hon. Friend aware that in detailing the litany of wonderful policies that they have rolled out today the Tory Front-Bench team fail to mention that their policy is to cut capital allowances? That would cut the number of tractor registrations and harm rural areas.

Jim Fitzpatrick: My hon. Friend makes a very interesting point about what was omitted from the speech made by the hon. Member for Arundel and South Downs from the Front Bench. I also noted that some of the Conservative commitments contained heavy qualifications about whether they would be affordable, were the Opposition ever to form a Government.

Our analysis of a range of indicators associated with downturn risks, resilience and potential for recovery—that is still at an early stage—indicates that rural areas are faring well when compared with urban areas. That is not to say that there are not challenges, especially in relation to falling vacancies, earnings, house prices and negative equity, but rural areas score well against recovery indicators: they have good employment opportunities, good enterprise and business prospects, high skills and good quality of life.

Mr. James Paice (South-East Cambridgeshire) (Con): I congratulate the Minister on his appointment. Before he finishes his catalogue of what he thinks is going right in rural areas, will he address the issue of poverty, and the fact that it is higher in rural areas than in urban areas? Indeed, according to the Commission for Rural Communities, it is rising faster in rural areas.

Jim Fitzpatrick: I am not ignoring the issue of poverty in rural areas and, of course, I acknowledge that it exists. I look to the CRC for advice and I am only too happy to look at the information and research that it provides to the Department. I am grateful to the hon. Gentleman for his kind remarks of welcome, and I look forward to working with him and the hon. Member for Arundel and South Downs in the months ahead.

Julia Goldsworthy: The causes of poverty in rural areas may vary from place to place. In the south-west, water poverty is a real issue, but it is not being appropriately addressed. Will the Minister undertake to look into that area to ensure that households do not spend a disproportionate amount of their income just on paying their water bills?

Jim Fitzpatrick: The hon. Lady says that water poverty is not being appropriately addressed, and I am sure that she is more familiar with the issue than I am, as she represents the south-west. I will ensure that she gets a copy of the information that the Department receives from the research that it is undertaking.

As I was saying, this is all being kept under regular review by the National Economic Council, with reports from the Commission for Rural Communities—as mentioned by the hon. Member for South-East Cambridgeshire (Mr. Paice)—and the regional development agencies, as other hon. Members have mentioned. In case I am accused of being in denial, I should say that none of this says that rural areas or rural communities are immune from the effects of recession, and no one would claim that—especially me. It is easy to talk about averages, because that is what we can measure and compare, but the simple fact is that for an individual who has lost his or her job, and who fears losing a home as well, the effects are devastating.

Much of the action that the Government have been taking is intended to prevent those job losses in the first place, to put the right conditions in place for recovery, and to help prevent homes from being lost. Nevertheless, the available indicators appear to show that rural areas are holding up well so far, and in most cases have not suffered as much as urban areas. Across the UK, there have been some encouraging signs that confidence is improving, although we remain cautious. There is no reason to be complacent and it is legitimate to ask what we are doing to tackle the recession in rural areas.

Mr. Ellwood: I also welcome the Minister to his post. I invite him to seek out an organisation called Farm Stay UK, which helps farms to diversify into tourism. I attended its annual general meeting last year and listened to its frustration that it is not getting the necessary support from the Government. I mentioned to my hon. Friend the Member for Arundel and South Downs (Nick Herbert) that the £35 million is getting lost in the regional development agencies. Perhaps the Minister could look at that to ensure that the money gets to the front line, where it is so needed.

Jim Fitzpatrick: I took note of the hon. Gentleman's comment about rural businesses looking to diversify, especially farming, and the assistance that has been given to the RDAs. I will look into the matter and, if appropriate, I will write to him. I am not saying that that will be necessary, but I am sure that we will have a discussion in due course on the interesting point that he raises.

Mr. Robert Walter (North Dorset) (Con): The Minister said that he thought that rural areas were holding up well. How does that translate into the 212 per cent. increase in male unemployment in North Dorset in the past 12 months, or does the Minister think that all those people are registering new tractors?

Jim Fitzpatrick: No, I would not for a second question the statistics that the hon. Gentleman cites about his constituency, any more than he would question mine. He has much greater familiarity with the area. I said earlier that the rural community was not homogenous, and that there were differences in many areas. I hope that that qualifies my comments about the rural community doing well. It was a qualified observation, as the hon. Gentleman will be able to read in due course.

The intention, of course, is to avoid any systematic disadvantage based on geography, but in effect the measures taken by Government more generally to stimulate the economy and to get us all out of recession are just as important to rural communities and businesses as elsewhere. Given the many similarities between rural and urban economies, we believe that that is the right approach, rather than establishing a number of separate smaller rural schemes that would only add to the costs of administration.

Dr. Murrison: The Minister is trying to conflate the experience of the recession in urban and rural areas. Does he agree with me, however, that the thing that defines rural areas is the fact that people are poor and have appalling access to services? What precisely have his Government been doing since 1997 to improve transport in rural areas?

Jim Fitzpatrick: We have given a commitment that there will be no further rail closures until 2013 and we have been subsidising rural bus routes to the tune of some £400 million to try to ensure that the rural community can keep going via public transport as well as via other means.

As I said, the Government are delivering support for people and businesses in all communities. We are cutting taxes, with a cut in VAT worth more than £20 a month on average for households for the whole of 2009. A range of tax cuts and increases for tax credits and benefits introduced on 6 April are already putting money in people's pockets.

For businesses, we are keeping lending flowing by securing billions of pounds of additional finance with legally binding agreements with banks to increase lending for business on commercial terms—£11 billion from Lloyds TSB and £16 billion from RBS. We are freeing up capital by signing £1 billion-worth of guarantees through the working capital scheme and backing bank lending to viable businesses that cannot get commercial loans with the enterprise finance guarantee. More than £400 million-worth of eligible applications from over 3,600 small businesses have been assessed and are being processed or have been granted. More than 2,500 businesses have been offered loans totalling more than £231 million. We are supporting cash flow by agreeing deferred payment of more than £2.5 billion in tax by 145,000-plus businesses since November, as well as enabling companies to spread the increases in business rates over the next three years. A business paying a rates bill on a typical property that will see a £600 rise in its rates liability in 2009-10 will be able to defer £360 of that increase to future years.

We are also providing real help to keep people in work and delivering support, as I have just described, for thousands of businesses. We are investing in the future so that the economy is well placed to benefit from the recovery. For example, we are bringing forward £3 billion-worth of capital projects and providing a £600 million fund to kick-start house building.

Rob Marris: The Homes and Communities Agency plans to build 10,300 rural homes in three years, and that is a woefully low figure. I wish it were far higher. I urge my hon. Friend not to accept the nonsense from the Opposition, who will not properly address market failure in terms of affordable rural housing, as was highlighted by my hon. Friend the Member for Copeland (Mr. Reed). They then come forward with this nonsense about letting local people decide, and we on the Government Benches all know what happens then: Conservative councillors in rural areas oppose all new housing. The Opposition Front Benchers in the House say, "Let's have affordable housing in rural areas." What do Conservatives do on the ground? They oppose it all. It is nonsense. Let us have much more affordable housing in rural areas.

Jim Fitzpatrick: Again, my hon. Friend makes a telling point and observes the weaknesses of the Opposition's policies. I acknowledge his suggestion that we should go further with affordable housing. That is a debate that we have been having and the Prime Minister has pushed the policy further forward than it has been for many years. Clearly, it will continue to move in that direction.

In addition, the Government have developed policies that recognise local authorities as "leaders of place", responsible for identifying and responding to the needs of their communities. That approach is appropriate to all communities, including those in rural areas. Local area agreements are also part of that approach. At local council level—that is, in town and parish councils—new powers are available to those councils that meet certain quality standards. That will enable those local bodies to do more for their communities, and the policy has been widely welcomed by the sector.

Mr. Bellingham: The Minister is incredibly generous in giving way. I agree that local councils should spearhead the recovery from recessions. However, does he agree that this is not the time for the Government to push ahead with a review of local government? Does he accept that it would be a great mistake to push through unitary proposals for Norfolk, given the almost universal opposition in the county? Does he agree that district and borough councils have a very important role to play in ensuring that businesses have a chance to survive into the future?

Jim Fitzpatrick: The Government are trying to provide the best local government framework that we can. We have consulted widely, and that consultation process began when I was in the Office of the Deputy Prime Minister. The hon. Gentleman and local councils will have their own views as to whether we have got the policy right.

I was saying that we have taken specific actions to address some of the challenges in rural areas. For example, to tackle the housing challenge in rural areas we have set the Homes and Communities Agency a target to deliver 10,300 affordable homes between 2008 and 2011 in settlements of fewer than 3,000.

As I mentioned a moment ago, and in respect of the distances involved in getting to major centres, we made a commitment that no rural railway lines would be closed before 2013. Moreover, special rural bus grants of more than £400 million form part of the more general bus services operators grants, and there is a presumption against the closure of village schools, especially primary schools. However, such decisions are very much in the hands of local authorities, which will be best placed to consider the implications.

Mr. Jamie Reed: My hon. Friend mentioned delivering 10,300 more affordable rural homes, but that will not be enough. I hope that he will meet me and other Back Benchers to pursue an increase in that number. However, he spoke about market failure in rural areas and the policy initiatives taken to combat it. Does he agree that many rural economies are kept alive by public spending? A cut of 10 per cent. across the board would do more to hurt rural communities than it would to help them.

Jim Fitzpatrick: My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) paid me a compliment and gave me an opportunity to ask questions of the Opposition, but my hon. Friend the Member for Copeland (Mr. Reed) gives me a slap and says that we are not doing enough in terms of affordable housing. I hear what Labour Back Benchers say, and I hear the silence from the Opposition Benches. This issue is not going away, as it will continue to be pressed by many honourable colleagues.

I said that rural communities are very much like any other, but there is one very important aspect that we cannot ignore: the extent to which they are engaged in land-based activities that remain vital for environmental protection and enhancement. DEFRA is putting £3.9 billion into the rural economy between 2007 and 2013 via the rural development programme for England. More than double the size of its predecessor, the RDPE will both help farmers and support other rural businesses. Around £550 million of the total sum will go to support small businesses, including farmers, and improve the quality of life for rural communities.

At a regional level, the RDAs have been delivering packages of measures tailored to the needs of the individual regions. For example, Advantage West Midlands is investing an extra £3 million to help community development finance institutions and other alternative finance providers to meet additional demand from new and existing business and social enterprises. In addition, the East of England Development Agency is running a three-year campaign, offering free business IT support and advice. I am sure that the work done through Business Link East to put together an "open for business" package for rural pubs will receive the wide support of the House.

Earlier, Opposition Members raised the question of Dairy Farmers of Britain, and asked whether the Government were doing enough to support that organisation. The appointment on 3 June of PricewaterhouseCoopers as receivers and managers of Dairy Farmers of Britain, a farmer-owned dairy co-operative with a turnover of approximately £500 million a year, was disappointing to all those interested in the dairy industry, and distressing to employees, the farmer members, dependent businesses and customers.

A written statement, laid before the House on 9 June, set out the position. Since then, more farmer members of Dairy Farmers of Britain have found alternative buyers for their milk, and while we do not yet have firm figures, we estimate that about 90 per cent. of milk by volume of the Dairy Farmers of Britain's original farm supplies has now found a buyer. In such a short space of time, that is a tremendous achievement by the industry as a whole, and on behalf of the Department for Environment, Food and Rural Affairs I pay tribute to the hard work of the Dairy Farmers of Britain's employees, its members council, which assisted in the process, the receiver and other dairy processors, all of whom have worked together to ensure that the impact of Dairy Farmers of Britain's financial collapse are minimised.

The receiver stated on Friday 12 June that on their appointment 400 farmer members, from a total of about 1,800 farmer suppliers, had yet to find alternative buyers. I understand from contacts made over the weekend that the number has fallen further, and DEFRA officials will meet the receiver on 17 June to review progress.

Rob Marris: My hon. Friend has dealt with milk; may I congratulate him on honey, too? With colony collapse disorder among honey bees, the Government have rightly increased fivefold their spending on research on honey bees, which are vital pollinators in rural areas. The Government have matched that with funding from, I think, the Wellcome Trust, so the annual research budget in the next five years will go up from £200,000 a year to £2 million a year, and I congratulate the Government on that.

Jim Fitzpatrick: On behalf of the Department, I am grateful for the appreciation expressed by my hon. Friend. If my memory serves me correctly, the number of inspectors has also increased to help the [illegible]y.

As I was saying, the farmers affected will have lost their investment in Dairy Farmers of Britain and their May milk cheques. We have worked closely with the regional development agencies, the National Farmers Union and the receiver to ensure that farmers facing cash-flow difficulties are aware of business advice and support services available through Business Link, and so have access to relevant Government schemes, such as the enterprise finance guarantee scheme and the business payment support service run by Her Majesty's Revenue and Customs. That goes some way in rebutting the allegation made earlier that we are not doing anything for dairy farmers.

Mr. Peter Atkinson (Hexham) (Con): On the subject of Dairy Farmers of Britain, it is good news that most of the suppliers, particularly in north-east England, are finding new contracts, but could the Minister say anything about the future of the processing plant in Blaydon, near Newcastle? That is the only processing plant in the north-east region, and if it closes, dairy farmers in the region will face very high transport costs to move their milk to areas where it can be processed.

Jim Fitzpatrick: My apologies to the hon. Gentleman, but I am not in a position to respond to that point directly. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Wansdyke (Dan Norris), may be able to do so when winding up the debate. If he is not in a position to do so, I will certainly write to the hon. Gentleman tomorrow with the latest position regarding the plant that he mentions.

The issue of broadband was raised. The Government are aware that in many rural areas there are significant barriers, in terms of access, speed, cost and quality, to broadband provision that still need to be overcome. We want to ensure that rural areas are not left behind as next generation networks and other digital platforms develop. The European economic recovery package,

agreed in March, allocated €1.02 billion to the rural development programme at EU level. The UK's share of that is approximately £12 million. Final decisions on how funding should be allocated are being taken now, and rural broadband is one of the issues being considered. In addition, Lord Stephen Carter in the other place has asked the Commission for Rural Communities to produce a report examining the impact of digital technology on rural economies, and the potential barriers.

Mr. David Heath (Somerton and Frome) (LD): The hon. Gentleman must realise that the Carter review's interim report is hopelessly inadequate on providing the level of internet connection that we need. The matter is absolutely crucial to the future economy of areas such as that which I represent. If we cannot attract the high-value industries to areas where they have the chance to grow because those areas cannot make those connections, the future for our economy is bleak. He must do better; the Government must do better.

Jim Fitzpatrick: I hear what the hon. Gentleman says. As I mentioned, Lord Carter has asked the Commission for Rural Communities to produce a report, so there will be more information coming forward. The spend from the euro budget will be determined shortly. We understand that there is an awful lot more to do and we will continue to try to do that, and I am sure the hon. Gentleman will do all he can to press us, to make sure that we keep improving.

Food labelling was raised earlier in the debate; the hon. Member for Arundel and South Downs responded to an intervention from one of his colleagues. We recognise the significance of food labelling. As an example of the fact that the Department is very engaged, I chaired the pigmeat taskforce last week. It was clear that progress was being made, with the sub-groups looking into the issue engaging with retailers and with animal welfare groups. There is probably consensus across the House that more can be done to support the industry.

In conclusion, there is no doubt that there is a recession in rural areas, as there is in our towns and cities, but I have been impressed by the resilience shown by rural communities and I look forward to working with and for them in the months ahead. For many years the Government have taken a considerable interest in the well-being of rural communities, and will continue to do so in a way that is effective and allows for the maximum input into the decision-making process from those who are most affected. I look forward to listening to right hon. and hon. Members during the debate.

5.31 pm

Tim Farron (Westmorland and Lonsdale) (LD): I, too, would like to express my disappointment at the absence from the debate of the Secretary of State. That reflects rather poorly, perhaps, on the Government's commitment to these issues. However, I would not want that to detract from my warm welcome to the Minister to his new job. I look forward to being able to nobble him on hill farm allowance, dairy farming and rural housing issues in the lift in Norman Shaw, to which I am sure he equally looks forward.

I spent—profitably, I hope—much of the recent recess calling on businesses in my constituency unannounced. I am sure they were exceptionally grateful. I spoke to 400 businesses in a dozen towns and villages around my very rural constituency, and I got a range of messages. There is a mixed picture out there. Clearly, there were some good news stories and some exceptionally bad news stories, but the modal response was something like, "Things are about where they were a year ago, but we have had to work twice as hard and think twice as hard to make sure that they stayed that way."

Thomas Jefferson was once accused by a rival of being lucky. His response to that charge was, "It's interesting. The harder I work, the luckier I get." Speaking for my communities, I would say that although the downturn is a reality, there is also a strong sense of defiance and of being determined to make their own luck. The problem remains that the rural community is nevertheless in a vulnerable position, largely because of Government failure over the past three decades to support our communities.

That is reflected by the closure of 8,000 post offices under the Conservatives first and now under Labour, with the biggest impact falling upon the countryside; the reckless and irresponsible selling-off most of the rural affordable housing under the Conservatives, followed by the Labour Government's abject failure to address the crisis that that created; the loss of community, owing to the unsustainable growth in second home ownership in many villages in rural Britain; the loss of hospital services under Labour; the increased exploitation of our farmers by the supermarkets and the processors; and the way in which decisions that affect us in rural Britain appear to be taken by Labour Ministers cloistered in Whitehall, with little or no regard for the impact of those decisions on the communities that they affect.

The Conservative motion contains nothing with which I would disagree, but it is laced with irony. I wonder who sold off all the affordable rural housing. I wonder who encouraged the unsustainable growth in second home ownership. I wonder who were the high priests of the free market fundamentalism that led to the banking collapse and the recession in the first place. Given that Members have become rather adept at contrition recently, I wonder whether anyone on the Conservative Benches might consider disarming those of us who are a tiny bit sceptical by saying sorry. There is nothing wrong with irony so long as one understands that it is irony, and as such we support the motion. We are concerned about the lack of any solutions presented within, however, and that is why we tabled an amendment in an attempt to provide some substance and to strengthen the hand of farmers and growers, who are so often forced to take poverty rates for their produce by much more powerful operators in the food market—chiefly, those on the retail side.

Following the tragic collapse of Dairy Farmers of Britain, to which many Members have already referred, many stricken farmers have been exploited by buyers offering, in some cases, as little as 10p a litre—14p below the cost price—for their milk. Almost 1 billion litres of milk production capacity has been lost over the past three years, and it is immoral and counter-productive to treat dairy farmers in that way. A food market regulator would give farmers a champion who would intervene and ensure that they were not exploited.

Is it not ironic also that so many people wander down one aisle in the supermarket and buy fair trade coffee, but wander down the next aisle and buy to put in that

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coffee milk that was taken from an exploited local dairy farmer at below cost price? Our amendment sought to ensure fair trade for farmers and growers in Colombia and Cumbria. The loss of production capacity in many areas of British farming is a clear example, as other Members have noted, of the failure of the unfettered and unfair market.

John Maynard Keynes—

Mr. Jamie Reed: Will the hon. Gentleman give way?

Tim Farron: Yes, I shall give way.

Mr. Reed: I am very grateful to the hon. Gentleman for giving way. We share the fantastic county of Cumbria, and, on the issues that he is discussing today, he is without doubt one of the best advocates in the House. That is beyond question and recognised as such in our county. Does he agree that we need to do an awful lot more in this country to ensure that supermarkets exercise a much greater duty of care towards our farmers?

Tim Farron: I agree very much with the hon. Gentleman, who is my constituency neighbour. My great concern is that, although we do not want to burden the industry with excessive regulation, we have very powerful players on the retailing and processing sides, but a range of relatively powerless people—farmers and growers—who by and large do the real work. They need protecting, and we need to ensure that markets are fair more than free.

Julia Goldsworthy: Do we not also need to ensure that consumers are properly educated about what happens, and are not misled? Often, they are told that they have the opportunity to, for example, buy cabbage locally, without knowing that, although it has been cut locally, it has been sent hundreds of miles away to be wrapped in plastic and then sent back to their area. People need to be fully aware of the situation's true carbon impact.

Tim Farron: I could not agree more with my hon. Friend. Honesty in presentation, packaging and labelling of foodstuffs is absolutely crucial in terms of both educating people to allow them to make choices so that we do not incur excessive and unnecessary food miles, and recognising that, in this country, we have the highest environmental and animal welfare standards in the world. Those standards cost, and it is wrong that our farmers should be at a disadvantage compared with competitors who can sometimes claim that their produce is British just because it is processed here, and sell it more cheaply.

Returning to John Maynard Keynes, if I could, I should say that he—a great Liberal, of course—was unfashionable for many years but has now been proved comprehensively right. He once said, among many other words of wisdom, that

"the market can remain illogical for longer than you can remain solvent."

Those words ring painfully true for dairy farmers right now. They ring true for every rural community that has lost its post office; for every community that has seen its permanent population disappear due to the loss of social rented properties and excessive second-home ownership; and for every rural community that is isolated and cut off thanks to the deregulation of public transport and the subsequent loss of vital bus and rail links.

In my constituency, and in many others no doubt, too, the number of people registering for jobseeker's allowance has risen significantly. It has tripled in the past year. We do not have many huge employers in our area; our eggs are in many baskets. I would say that that is a blessing, but some of those baskets have come crashing down, bringing heartache and hardship to decent local business people, their employees and their families. The impact of the recession has become tangible. Like many hon. Members, I am seeing in constituency surgeries a huge increase in the number of families in danger of defaulting on their mortgages or private rental agreements, an increase in demand for social rented housing and a rocketing in the number of families being squeezed into inadequate hostel accommodation. There is rising unemployment and the hours or wages of workers in employment are being cut; the downturn has begun to take effect.

Two weeks ago, a young mum came to see me in my surgery. That weekend, she had to make the choice between paying her electricity bill and feeding her family. It is against that backdrop that the scandal of MPs' allowances has been played out; it has been juxtaposed with rising hardship, so no wonder there is such visceral anger out there, especially in impoverished rural communities. That economic hardship, coupled with the discrediting of the political class, is a toxic cocktail; I hardly need to remind hon. Members that such a cocktail brought Hitler to power in the 1930s. Shamefully, the same toxic cocktail led to the election of two Nazis to the European Parliament last week.

The answer to the crisis is not to wring our hands or chuck eggs at people, but to offer real, tangible hope. To do that, we need to give rural Britain a new deal. We need to invest in our countryside and ensure that we have communities. Let us start with housing.

Mr. Atkinson: The hon. Gentleman has been talking about investing in sustainable and rural communities. Northumberland county council, which covers one of the most sparse rural counties in England, is now run by the Liberal Democrats. Can the hon. Gentleman explain why it is closing all old people's day centres there?

Tim Farron: I am not directly familiar with the case, but I am sure that like all local authorities, Northumberland county council has to make difficult choices because of a variety of things such as the decline in return on investments and the reduction in local government funds. The hon. Gentleman will have to forgive me, however, as I do not know the detail of the issue; I promise to find out.

If we are to try to solve the problems faced by rural communities, we have to start with housing. According to the Government's own Commission for Rural Communities, 100,000 young people are set to leave such areas in the next three years, principally because of a lack of affordable housing. There is therefore a desperate need to create homes that will enable those young people to stay and their communities to thrive. We must scrap the Government's remote, counter-productive and undemocratic regional spatial strategy and instead empower local communities to build homes with community backing.

Michael Heseltine once referred to the planning and development policy of the 1980s as DADA—"decide, announce, defend, abandon". The regional spatial strategy is clearly a recipe for more DADA. Let us give communities the power to create the homes that they need in the places where they are needed. Why not follow in the footsteps of the Liberal Democrat-controlled South Lakeland district council, which has adopted the "home on the farm" initiative? That could see hundreds of unused or underused farm buildings converted into affordable homes for local families. Homes could be built in the back yards of people who actually want them there.

Dan Rogerson (North Cornwall) (LD): I am grateful to my hon. Friend for his exposition of the problems that all our rural communities are facing. Does he agree that the Department for Environment, Food and Rural Affairs needs to co-ordinate with the rest of the Government across the whole range of policy initiatives? That could ensure, for example, that the banks that are now effectively publicly owned supported housing initiatives. In my constituency, there is a community land trust, but people hoping to buy the homes are facing difficulties because the banks are being obstructive. Does my hon. Friend feel that Ministers across all Government Departments should play their part in resolving such issues?

Tim Farron: My hon. Friend has made an excellent and incredibly important point. Another issue in my constituency and other rural areas is how partially publicly owned banks have pulled the plug on providing mortgages for affordable homes. Tragically, in my constituency—and others too, no doubt—homes are standing empty because people are asked to come up with 30 per cent. deposits. People with such deposits would not be in the market for an affordable home. The banks need to play ball. In many respects, it seems that we have the worst of both worlds: we spend money on the banks, but we appear to have little control over how they relate to our rural economy and other parts of the economy.

The lack of affordable housing in rural areas is only half of the problem: the other half is a lack of well-paid work. The Government need to look to rural Britain as an engine room of creativity on many fronts. The former Minister with responsibility for renewable energy, the right hon. and learned Member for North Warwickshire (Mr. O'Brien), kindly met me and representatives of the business community in Cumbria to discuss our attempt to create a new business park for the renewable energy sector, which will create 900 jobs in south Cumbria if we are successful. The Government need to get behind such schemes across the country and to be imaginative about the ways in which we can support hydro-energy, for example, in our rural areas. We can protect our environment and create well-paid jobs through the same action.

The drain of young people from our communities is crippling rural Britain. As they leave to seek affordable homes and decent work, they leave behind them communities who desperately need them and families who are unnecessarily separated from them, and they take with them their energy and creativity—and, of course, their fertility. My hon. Friend the Member for South-East Cornwall (Mr. Breed), who was in his place a moment or two ago, once stood on an election slogan of "Breed for Cornwall". Joking aside, there is a great need to breed for rural Britain. My wife and I are doing our bit, but there is a limit.

Mr. Jamie Reed *rose—*

Tim Farron: As is the hon. Gentleman.

Mr. Reed: I am grateful to the hon. Gentleman, and how dare he?

Does the hon. Gentleman agree that the real and pressing problems of rural Britain are mirrored in the problems facing urban Britain, and that the exodus of people from rural communities only exacerbates those problems in urban communities?

Tim Farron: The hon. Gentleman is absolutely right. I look at my own constituency as a microcosm. Rising prices eject people from the Lake district and dales parts of my constituency, so they move to Kendal, then that becomes unaffordable, so they move to Milnthorpe and Flookburgh, and then even those become unaffordable, so they move even further away. The impact on housing and other parts of the economy is palpable and seriously damaging.

Let us have a renewal in agriculture, too. With farm incomes under threat as never before, and with the challenge of climate change facing every one of us, we must ensure that the new deal for the countryside has an unmistakably green tinge. We could extend carbon trading to enable large corporations to offset their carbon emissions by paying our farmers for work to extend carbon sequestration further in the countryside. In the uplands, especially, that could mean that our hill farmers finally get the rewards they deserve for their role as the stewards of our environment and our landscapes.

Let us be ambitious about fusing the environmental imperative with the fightback against recession. For example, there should be a far-reaching scheme to ensure that farmers can choose to host anaerobic digesters with Government start-up funding to enable whole communities to recycle organic waste and to create renewable energy.

Christopher Fraser (South-West Norfolk) (Con): As in "The Archers".

Tim Farron: Indeed, "The Archers" is doing a great job in popularising that technology. However, this country is way behind in deploying it—for example, about 70 times more anaerobic digesters exist in Germany—despite the clear engagement of the farming community and their willingness to lead the way.

On rural services, let us give a commitment that we will not see the provision of key services—especially health services—as "one size fits all". Let us acknowledge that whatever rules apply to the provision of hospital services in urban areas, there are overriding concerns in rural areas. It cannot be right for heart and stroke services at rural hospitals such as Westmorland general hospital to be removed to places such as Lancaster, leaving patients in emergency need up to an hour and a half away from their nearest acute hospital. Neither can it be right to force cancer patients in rural areas to make daily three-hour round trips for life-saving treatment. That is why we are committed to returning acute services and to creating new cancer services at our rural hospitals. That is right not only because people in rural communities

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deserve the same standards of health care as those in urban communities but because the development of, for example, a new £15 million cancer treatment unit at my local hospital in Kendal, and at others, would be a significant economic driver.

Tourism is central to the economies of many rural areas. The Cumbrian tourism economy alone is worth £1.2 billion each year. This year, there are some signs, in the lakes and dales at least, that businesses in the tourism industry are faring better than expected. I suspect that the weakness of the pound and the strength of the product have helped us, but times are still challenging. Although much of tourism's revenue goes back to the Exchequer, there is little attempt by the Government to nurture that investment. Small bed-and-breakfast establishments are forced to abide by the same regulations and rules as huge hotel chains. They are hampered by ridiculous cut-off rules on VAT, which limit their ability to grow and take custom.

The support for marketing of our tourism industry is dismal. We have a premier league tourism product in this country, but especially in England we have non-league levels of marketing funding. The Government must acknowledge the importance of our tourism industry if they are to help the rural economy fight its way out of recession.

In all of that, it is essential that local communities are in control of their own destiny. As we have seen from the loss of post offices, the decline of many communities and the cuts to rural health services, there is an overwhelming sense of anger at things being done to us without our consent. We are sometimes offered consultations, but that has become a meaningless word under this Labour Government. Never have we been more consulted and less listened to. The top-down decisions to close jobcentres in rural areas, rob our rural communities of post offices, take away rural tax offices, force through the reduction in social housing stock and remove acute hospital services have all damaged our rural communities, but we were given no say in them.

Mr. Heath: Does that not bespeak a complete failure of the principle of rural proofing, which the Government enunciated clearly a few years ago when they set up the new Department? It was supposed to ensure that every policy that flowed from the Government was examined for its effect on rural communities and amended to ensure that it was either positive or, at worst, neutral for them. In fact, we have had policy after policy that has done damage to the fabric of rural society.

Tim Farron: My hon. Friend is absolutely right. I referred earlier to acute hospital services, which are probably one of the best—or rather worst—examples of that failure. We are told that we need all bells and whistles when it comes to new heart services, for example. Absolutely—I want the best possible health care available to my constituents and those of all the Members who are present. But what is the point of a state-of-the-art, cutting-edge, all-bells-and-whistles heart unit to someone who is dead on arrival because it took them an hour and a half to get there? Rural proofing appears to mean absolutely nothing in practice, and that failure must come to an end.

Mr. Eric Martlew (Carlisle) (Lab): Sometime, when the hon. Gentleman has time, I will tell him the history of Kendal general hospital.

The reality is that we cannot get consultants with the necessary skills to come to many of our small hospitals. My hon. Friend the Member for Copeland (Mr. Reed) knows that to some extent. Without the size, we will not get the skilled consultants. We can build a hospital, but we will not get people to work there.

Tim Farron: I appreciate that in many rural areas it is more difficult to attract a certain number of applicants for positions, but at Westmorland general hospital there were consultants available and the unit was operating. It was a life-saving service, and many hundreds of people owe their lives to it. It would have continued had the trust allowed it to do so, and had the trust been accountable it would never have got away with closing it.

Julia Goldsworthy: To give a perspective from the other end of the country, upper gastrointestinal cancer services have been transferred out of Treliske, and the surgeon now has to travel up to Derriford to undertake surgery. Although it might be necessary to centralise services, in Cornwall we are seeing the salami-slicing of services that are going up the line. Why cannot rural areas have a centre of excellence too? That is the frustration.

Tim Farron: My hon. Friend makes a tremendous point. Surely the point is that we have put an awful lot of money into the NHS in recent years. This party supported the Government on that, but we want to get something for that money. It is galling for people in rural areas who see more money going to the NHS but then see the closure of heart units, stroke units and other services. We are paying consultants a lot of money, and we should be able to determine where they practise. That must be within the competence of the Government.

To strengthen rural communities, we should start by using the Sustainable Communities Act 2007, which was mentioned earlier, to give them the right to preserve key services. We need elected local health boards, so that those who threaten to close key services such as the ones that we have been talking about can be directly held to account. We need to ensure also that the boards of the national parks that do so much good for our national environmental heritage, which are largely unaccountable to the communities that live within them, contain directly elected members.

We in Cumbria pride ourselves on being a microclimate meteorologically, politically and economically. The ability of the rural communities of Britain to be economic microclimates, and in turn to be an engine room for economic recovery, is clear. We are determined to make our own luck. The strength of our rural economy centres on the creativity and resourcefulness of our communities. I look at ways in which communities have fought back in my area, such as the Witherslack community shop, the Storth community co-op post office and the Greyhound community-run pub at Grizebeck. Those are wonderful examples of communities providing social glue and economic impetus in defiance of economic hardship. All those things, I should add, have been done despite Government policy.

So let us have a new deal for rural Britain that will ensure sustainable, vibrant communities and a countryside for everyone, young and old, irrespective of financial background, that is equipped not just to beat the recession but to be renewed and to prosper in the decades ahead.

5.55 pm

Mr. Robert Walter (North Dorset) (Con): I am grateful to you, Mr. Deputy Speaker, for calling me early in this debate. I have some regret, however, that that is as a consequence of the face that not a single Labour Back Bencher is rising to make a substantive contribution. That is symptomatic of this Government's attitude to rural communities and the effects of the recession on them. That may be the reason why, after the European elections in the south-west of England, Labour now has no representation among the six Members of the European Parliament, and why after the elections to Dorset county council there is now not a single Labour county councillor, despite the fact that Labour still holds one parliamentary seat in the county, South Dorset—for the time being.

Mr. Deputy Speaker, you and many other Members will be aware that I have a picturesque constituency that offers some of the best rural land in Britain. We have some of the best dairy farmers in the country, and each year the area offers visitors great hospitality. We have many small and medium-sized businesses that keep the economy afloat. Having a constituency of 350 square miles, with no large towns or cities, gives me the ability to speak about rural communities.

The statistics show that across the country an average of 10 per cent. of non-agricultural employees are in manufacturing, but in my constituency that figure is 17.5 per cent. according to the latest business inquiry. In fact, this morning I visited one manufacturing business there. It is an international company, and I suspect that during the day virtually all Members have sat on one of its products. It makes the springs that go in the seats of most cars manufactured in Europe, among a number of other spring-like products. The company is called William Hughes and it is in Stallbridge, a small town in my constituency.

Later this week I will be visiting another business in my constituency, a big international business that is one of the FTSE 100 companies. It is Cobham plc, which will be exhibiting at the Paris air show. It makes the fuel systems and antennae that go on most aircraft produced in the world, whether by Airbus, Boeing or a number of other manufacturers. There are a multitude of other businesses in my constituency, including a leading paint maker, a company that makes probably the majority of trolleys and cabinets found in hospitals and health centres across the country, and many companies that are involved in food manufacturing.

However, my constituency is not the industrial heartland of Britain, or one of the great metropolitan areas, as the Government see it. It is a local economy that is under unbearable strain. It is squeezed by the recession and unsupported by Government action.

I want to discuss three main subjects: unemployment as it affects my constituency and the impact on it of the closure of jobcentres; the closure of post offices and its detrimental effect, along with the absence of broadband in many areas of my constituency, when people need access to services; and the closure of rural businesses, particularly rural pubs.

I shall start with unemployment. In my constituency, the number of jobseeker's allowance claimants is up a staggering 187 per cent. in the past 12 months. Even from a low base, that is some increase. Men in North Dorset are the hardest hit, with an increase in unemployment of 211 per cent. in the past 12 months. In the first few months of this year, that figure is up some 60 per cent.

There is also a worrying trend towards people claiming for longer. In April last year, only 25 people in my constituency had been claiming jobseeker's allowance for between six and 12 months. The figure is now 120 and growing. Compared with many constituencies, it will appear small, but the rapid increase worries me. I am also worried about those who will go into the 12 months or longer category, without access to appropriate training for the skills that today's job market demands. We all know that those who reach that 12-month threshold without appropriate intervention risk staying economically inactive for much longer. There is a huge increase in men claiming jobseeker's allowance and in people generally claiming jobseeker's allowance for a long time.

Another trend worries me, and that is that the number of young adults forced into unemployment has increased by 222 per cent. I make no apology for using statistics—indeed, the Minister used them in his opening remarks.

Mr. Martlew: I am listening carefully to the hon. Gentleman. What percentage of his work force is claiming jobseeker's allowance?

Mr. Walter: I do not have those figures immediately to hand, but I will come back to the hon. Gentleman. The percentage is relatively low—probably just over 2 per cent., but the trend and the effect of the increases on the community are worrying. All those people have lost their jobs, with little prospect of getting new ones in the short term.

My constituency has a high proportion of retired people, but it is disheartening for those of working age, particularly those who are just starting out on their working lives, to struggle to find employment. To make matters worse, in the past 18 months, despite protests from me and others in the constituency, the Government have closed two of our three jobcentres. Those in Wimborne and Shaftesbury have been closed, leaving only one in the constituency, in Blandford. It is open only two days a week, by appointment. That means that those who are unemployed cannot just walk into a jobcentre but have to get on the telephone or use the internet to make initial contact. They are then sent not to the jobcentre in Blandford, but either to Yeovil, which is 20 miles away even from the closest point in my constituency, or to Poole, which is 25 miles away from those who live in the northern part of my constituency, for the initial interview. That is disheartening for anyone who loses a job.

It is unfair that my constituents do not get the opportunity to access vital Government services. In May 2007, I told the Government that the closure of the two jobcentres would hit my constituents hard when they needed a jobcentre the most. Having to travel long distances when there is little public transport puts an intolerable burden on an increasing number of people.

[Mr. Walter]

An unfortunate consequence of the jobcentre closures is the withdrawal of essential assistance and advice. Local citizens advice bureaux have reported to me a ballooning number of people seeking their advice and assistance on matters that Jobcentre Plus should be tackling. It was disappointing that the Department for Work and Pensions turned down an offer from North Dorset citizens advice bureau to make its facilities available to Jobcentre Plus and host its employees free of charge.

I want next to consider communications, post offices and the broadband connection. I know that the Minister knows a little about such things. The Government insisted—perhaps it was the Minister himself who did so—on eight post office closures in my constituency. That had a huge impact on the availability of services and on rural businesses, including vital village shops. There has been a drop in the footfall and therefore in the trade in those shops because of the closure of the post office counter.

The Government have withdrawn important services—simple things, such as the renewal of car tax, access to savings accounts and obtaining passport forms—that residents in rural areas had much more difficulty in getting anyway. The Minister might say that the services are available online—they are. However, many of my constituents are older and do not have access to or struggle to use the internet. In some parts of my constituency, broadband access is woefully slower than in towns and cities. In some areas, there is no broadband connection.

Last month, South Tarrant Valley parish council contacted me with concerns about the inconsistency and deficiency of broadband coverage in the four villages for which it is responsible. According to the parish council, internet service providers have no plans to upgrade lines to the affected areas as there is insufficient commercial demand in less populated districts. The absence of high-speed broadband connections has far-reaching consequences for entrepreneurs and local businesses trying to operate in rural and semi-rural Dorset.

Promises of universal broadband access were welcomed, but there are serious concerns. The Minister said earlier that from a European Union fund the entire United Kingdom would get £12 million. That is a drop in the ocean given what is required to invest in necessary rural broadband services, which the Government claim they will deliver. Perhaps in his winding-up speech, the Minister will tell us what else the Government plan to do to ensure that all households have access to good internet connections. That affects not only access to Government services but businesses' ability to carry on with their work from rural areas.

I have long campaigned for the post office to be more than the place where people send their mail or buy stamps. Post offices could be the hub for local people to access Government services—a one-stop shop for local government and central Government, accessible to a huge proportion of the population. As well as providing layers of government in one place, it would increase the all-important footfall that the Government claim is too low to make rural post offices sustainable.

In many villages in my constituency, the only retail business left is the village pub. In the past couple of weeks, I have received nearly 100 representations from constituents about the increased duty on alcohol and the impact on their local pubs. I am sure the House agrees that the village pub is an integral part of any rural community. Since 2005, the rural county of Dorset has lost some 36 pubs—nine in my North Dorset constituency. That has inevitably had a detrimental effect on community spirit and rural life.

The Government have penalised the millions of people—I include city dwellers in this—who enjoy a pint after work or on a Sunday afternoon. The tax regime ought to work against those who consume excessive amounts of drinks with a high alcohol content on Friday and Saturday nights, not against the beer drinker. Binge drinking is obviously a problem in our cities and large towns, although Dorset police tell me that binge drinkers cause a nuisance in some towns in my constituency as well. However, the Government appear to be intent on penalising sensible drinkers, together with the less than sensible. I cannot stress enough how important local pubs are to rural and semi-rural life, not just economically but in terms of their effects on the community. The closure of our village pubs—forced to close because people cannot afford to visit them as once they did—is painful for local communities. I urge the Government to think carefully about how attempts to deal with binge drinking will affect those important amenities.

We will discuss business rates later this evening, so I will not speak about them, other than to say that they are also a particular concern to rural businesses in my constituency.

The rural economy is not just about agriculture and tourism; it is manufacturing, as in my constituency, and often high-tech, state-of-the-art manufacturing, at the forefront of technology. If the Government are to address the recession and the effect that the economic downturn and the unemployment that is its consequence are having on ordinary people's lives, they must be even-handed. They must focus not just on their heartland, but on the rural areas of Britain.

6.11 pm

Christopher Fraser (South-West Norfolk) (Con): I apologise for not being in the Chamber at the beginning of the debate, but I was chairing a Statutory Instrument Committee. Fortunately, however, I arrived to hear my hon. Friend the Member for Arundel and South Downs (Nick Herbert) speak eloquently about the problems faced by rural communities.

It is a great pleasure to follow my hon. Friend the Member for North Dorset (Mr. Walter), who articulated the problems of large rural constituencies extremely well. I have the same problem in my constituency, which, for the record, is approximately 1,200 square miles. It contains 47 villages and five towns, with quite a disparate community spread out between Thetford forest and the fenlands. Those who live in my constituency therefore feel that the Government's one-size-fits-all urban agenda of the past few years is just not for them. They feel that they are not listened to. However, also for the record, the results of the local elections in Norfolk last week spoke volumes about how people feel that the Conservative party in Norfolk represents and can articulate

their point of view. It is a great pity that the Government have not woken up to the challenges that Norfolk faces in the current climate.

The number of JSA claimants in my constituency has increased by 92 per cent. in the Breckland area and by 82 per cent. in the King's Lynn and West Norfolk area. They are shocking figures. We have cited various figures this evening and asked the Government to look into what is happening. However, the truth is that the evidence shows not just that local people are disheartened, but that they are losing their jobs and cannot cope. The demand in rural areas for financial services such as debt advice far outstrips supply. For someone who has lost their job and cannot cope, that is a profound thing to deal with. In a large rural area, it is difficult for someone to access the services that they might get in an urban area. The Government need to consider that very carefully. I have had dealings with the Minister over the years, and he is a reasonable man, but does he accept that that combination is particularly worrying for people living in constituencies such as mine?

For many people in South-West Norfolk who have lost their jobs or whose jobs are under threat, the internet, which colleagues have already spoken about this evening, is a vital tool for accessing banking and financial services. However, in some rural areas broadband access is still well behind that in other parts of the country—I stick my hand up and say that Norfolk is no exception. I ask the Government: what is being done to ensure that the countryside has adequate access to broadband? I am not sure that the assistance the Minister spoke about earlier is enough, either in how it is applied or how much money is being put in, to alleviate the problems in constituencies such as mine. I ask him to look at that carefully, and I would be very grateful if he came back to me about the issue in my constituency.

It is vital that those living in rural areas should feel able to live and work in an area that is equal to other areas in terms of help and access to services. For too long, Norfolk has played second fiddle to other parts of the country. For too long, constituents of mine have felt like second-class citizens. That is a great shame. For too long, Norfolk, and in particular Thetford in my constituency, has been seen by many people in the House as a problem, rather than as the opportunity that it is and always will be, because of the people of Norfolk's dedication and their desire to get on, make a contribution and live in vibrant communities in the areas where they work. That desire has always been there and it always will be there, but the area needs a lot of help from the Government.

The current imbalance has not gone unnoticed by the Commission for Rural Communities. A recent CRC report states:

> "Some rural local authorities and Job Centre Plus offices are struggling to...support their unemployed because of distances to training and support centres and the lower numbers involved."

Does the Minister agree that those in rural areas are suffering particularly as a result of the economic crisis, and because we have an extremely poor public transport system? The problem is acute in South-West Norfolk. Bus operators have to try to work across a large, disparate county, and a lot of people obviously encounter long distances between villages and towns. When someone is on a fixed income or has no income, things are made even more difficult when they have to go so much further than their cousins, brothers, sisters or other family members who live elsewhere.

We have also seen the closure of local jobcentres. How can closing the focal point for retraining and getting back into the work force help rural communities to survive? I am afraid that that speaks volumes about the Government's attitude towards constituents such as mine. We also have deprivation in Norfolk—social, economic and geographical. We have vast amounts of fenland, which needs not only to be policed but to be looked after in terms of the Government's commitment. What advice would the Minister give to people in the 1,200 square miles that I represent? It is terribly important for me that I be able to return with a positive message, which I hope my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) can give me from the Opposition Front Bench, even if the Government cannot.

I have received many letters from constituents who have lost their jobs and are desperate to retrain. However, they are prevented from taking up full-time courses for up to 18 months. They live in communities that do not have services, in areas that do not have adequate public transport systems. They want desperately to get out there and get a job, but every time they take one step forward, they take two steps back. That is killing our communities and killing a lot of people's will to get back into the work force, which we desperately need them to do if enterprise and initiative are again to be the backbone of our economic success. Does the Minister accept that many people in rural areas who have lost their jobs and who want to reskill are penalised twofold, owing to Government-imposed restrictions and the long distances to training centres, coupled with poor public transport?

I want to talk briefly about small businesses, which are an enormously important source of employment in our communities. I have already mentioned Thetford, where small businesses have been hit particularly hard. We have a first-class manufacturing base and a need for apprenticeships. We also have a need for investment in Thetford. We have growth point status, so we are getting the houses, but we need the infrastructure that goes with them and—dare I say it?—the roads infrastructure. Let us not forget that Norfolk is the only county in England without a dual carriageway linking it to a national trunk road network. Although there have been good indications from various Ministers that such a scheme will be unlocked, Norfolk has for too long been unable to play its true part in the economic success of our nation. Every time we go forward, another barrier is put in the way to prevent us from making the contribution that most, if not all, of my constituents desperately want to make, for their own well-being and for that of the nation.

We have high transport costs and—dare I say it?—high energy costs. The price of fuel in rural areas is disproportionate, because vehicle use in those areas is a necessity, not a luxury. People, such as pensioners, on fixed incomes and farmers are unable to cope. I regret to say that the Government have adopted a one-size-fits-all urban agenda, and it just does not work. In Norfolk, that agenda also applies to local government reorganisation. To suggest that what someone in the middle of Norwich needs is the same as what people in the fenlands need is a complete insult to the people in my constituency.

[Christopher Fraser]

Their aspirations might be the same, but their needs are different and they need to be treated with individual care and respect. They also need to know that someone is going to look out for them, and if this Government will not do so, the next one will.

James Duddridge (Rochford and Southend, East) (Con): My hon. Friend is making some fascinating points, particularly about the rural economy. He has just mentioned Norwich. To what degree does he think the Government's failure in this recession impacts differentially between constituents in seats such as Norwich seats, and the slightly more rural seats that he is describing?

Christopher Fraser: I do not want to get diverted on to by-election issues, but I will say that it is no coincidence that the accounts of Norwich city council have not been written and agreed for many years, because of the way in which they have been put together. In my constituency, where we have two Conservative councils, we have proved, year in, year out that Conservative councils in Norfolk deliver for the people because they listen to the people and develop services for the people. It will be interesting to see how the people of Norwich take up that issue in the coming weeks leading up to the by-election.

I now have more companies writing to me to say that they cannot get business loans than to say, "Thank you very much indeed. The bank has come to my rescue and I have got my loan." That is just not happening, and companies are going under. They are good third and fourth generation owner-managed companies that have invested in their business and spent every moment of every day trying to build up the well-being of their work force and produce products that are in many cases world-beating. They are run by dedicated people who are not profligate and who do not drive big cars or go on swanky holidays.

Those people work every day of the year for the well-being of their organisation and the people they employ, but the banks are not helping them. They are pulling the rug from beneath them, and it is quite sickening to hear that bank profits are at their present levels. The fact that they are also paying such large bonuses against the will of the Government and of the people is quite extraordinary. It saddens me to think that the Government are not confronting this issue and dealing with it head on. Small businesses and enterprises in constituencies such as mine are desperate for a hand up, not a handout. This is not a question of the state coming to the rescue.

I will pass on to the Minister some of the stories of the people in my constituency, because they are doing more than their best, but they are not being paid. They are trying to re-mortgage their houses in order to put money into their businesses, but the mortgage companies are not interested. Those people are in a Catch-22 situation. They take one step forward—and then have to take two steps back. That will not get us out of the recession or help those people in the future. It is a very sad day when I have to say these things, but they are true. This saddens me and all my colleagues. I would much prefer to fly the flag for our local businesses and tell the House how good things are for them, but I am afraid that that is not the case.

At a time when we are looking to small businesses to lead us out of the recession, what impact does the Minister expect the Government's decision to end transitional relief to have on firms in rural areas? That is a simple question. As I said earlier, I am very fond of the Minister, but I am not so sure that either he or the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Wansdyke (Dan Norris) will be able to answer it. I do not believe that the Government have a coherent plan for the rural economy. I come back to the point that my hon. Friend the Member for Rochford and Southend, East (James Duddridge) has just made about Norwich. It has been proved time and again that the Government do not need votes in rural areas to win elections. In my opinion, however, that should not influence the way in which they govern the country. I hope that the electorate will remind themselves of that point, come the general election.

Many rural constituencies, including my own, have suffered jobcentre and post office closures. We have had a disproportionate amount of post office closures in my constituency, which is very sad. One or two of my constituents have taken it upon themselves to restart their post offices with the support of the community, but it has been extremely difficult. As my hon. Friend the Member for North Dorset said, the post offices should become one-stop shops and the beacon of the local community, so that the local community can survive.

My grandmother, who died just after Christmas at the age of 99, lived in my constituency. She would not have found it easy to go online to get her pension. That is an absolute, straightforward fact. She was a lovely woman, but she could not manage technology. So, when the local post office could not help her, what was she to do? That example from my own family is being echoed across the country, and it is a crying shame that, while post office closures are happening, the Government are sitting on their hands and saying, "It will work. It can work." That is okay for people who are 18 to 21 or 25 to 30, but when people who are over 30 start wearing glasses and finding the digits difficult, these things are not so easy. People in that older age group just cannot manage, and retired people on fixed incomes are being disproportionately penalised.

How does the Minister respond to my constituents who believe that, for the past decade, this Government have presided over the erosion of rural services, the true effects of which are now being felt as a result of the recession? The recession has hit them in the face. The Commission for Rural Communities has called on the Government to expand the financial services offered by the post office network, so that rural communities do not sink into financial exclusion, but I cannot see much action being taken by the Government to deal with that issue. The Conservative party has been calling for that action for some time. As I would say anyway: bring on the election, so that we can test the arguments with the electorate and allow a Conservative Government to come in and stand up for the rural economy as this Government have not done. I am sure that the Minister will agree that, at times like these, post offices are a vital resource for people living in rural areas. Does he now see that the closure programme was woefully misguided?

One of the groups being hardest hit is pensioners. A significant proportion of my electorate are pensioners, and they are struggling because of very high fuel costs,

for example. At least 50 per cent. of those living in my constituency have no access to the gas network and must therefore rely on heating oil, which is expensive. Every time I have spoken to a Minister, written to a Minister or put a question to a Minister across the Chamber to point out that those people have no alternative, I have been told, "It's okay. We have a plan in place for people to have underground heating." The Government have all these new-fangled ideas for supplying something that people just cannot get. If there is no possibility of getting a mains gas service to a house in the first place, and if people live in a terraced house in the middle of nowhere with a postage-stamp back garden, for example, it will be impossible to lay half a mile of cabling to get them an alternative energy source.

Mr. Atkinson: Does my hon. Friend agree that one of the things that annoys people in rural areas is the cheaper rate offered by the utility companies for customers on a dual fuel tariff? If only one fuel—electricity—is available in a rural area, the people who live there cannot benefit from those discounts.

Christopher Fraser: I agree wholeheartedly with my hon. Friend. Many of my constituents ask why they cannot get those benefits. They simply cannot get them. It might well be that the infrastructure just does not exist across the country, but this goes back to my original point that there are two classes of citizen in this country: those in urban areas who have access to services, and those in rural areas who feel hard done by because they cannot get the services they desperately need.

Mr. Graham Stuart (Beverley and Holderness) (Con): Holderness has the most enormous gas infrastructure, with Langeled, the world's longest pipeline, coming into my constituency. There are gas storage sites as well as pipelines, so there cannot be a more gas-centred place in the country than Holderness, yet many of my constituents living in the villages cannot get gas into their homes. They are suffering from all the disruption, but not gaining access to the gas. For reasons that my hon. Friends have powerfully put forward in the debate, if the Government were committed to equality, they would take forward an ambitious programme to ensure that as many people as possible had access to gas.

Christopher Fraser: I am enormously grateful to my hon. Friend, who makes a valid point. On occasions, there is more gas in this place than we in Norfolk are able to secure! Households face a double blow: they face higher costs, while having no proper infrastructure for services. The local community is sometimes literally dying on its feet: young people cannot get jobs and business people cannot secure the loans they need, so people are moving away. It is a crying shame for a proud county such as Norfolk—proud in what it does and proud in what it wants to do—to be hampered in every which way it tries to move forward. The Government should look further into the problem.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman will have been a student of post-war politics, so he will know that about 25 years ago, the supply of gas was privatised into a commercial market. Is he now regretting that development, as a result of which companies take commercial decisions to deny or to supply, at great cost to those communities with relatively small numbers of consumers? Is that not how the market works, or have I missed something?

Christopher Fraser: The hon. Gentleman misunderstands what this debate is about. If he looked at the monitor, he would see that it is about rural communities in recession—a recession caused by the lack of attention by this Government to the infrastructure that communities such as Norfolk, and South-West Norfolk in particular, need. As such, it is the responsibility of this Government—*[Interruption.]* The hon. Gentleman sits on the Chairmen's Panel, so he knows perfectly well how to conduct a debate. If he wants to make sedentary points, fine, but he should write to me; if he wants to intervene again, he should do so. The fact is that we are suffering from years of lack of investment by this Government, and others should not be blamed for it.

David Taylor *rose—*

Christopher Fraser: I am not taking another intervention from the hon. Gentleman, but I will allow him to write to me, as I first suggested. *[Interruption.]* No, he has had his chance; I am not giving way to him again.

Finally, I want to deal with the effect of rural crime. My constituency suffers from many farm thefts. There are opportunists coming into the area from far and wide, who think that they can easily take something from a farmyard in a rural area because they will not be detected. They think that no one will catch up with them, but why? As a large, disparate county, we have a first-class police force that is centred mostly around urban centres and does not have the capacity to get into rural areas as quickly and effectively as it would wish.

There have been many Government schemes to bring in what I would describe as alternative police officers. That is fine; I am very pleased that some towns in my constituency have benefited from such people doing their job. When it comes to crimes in rural areas, farms are already suffering because, for reasons I have already explained, they cannot manage within their budgets. When someone steals all their oil or takes a truck or other machinery, it has a disproportionately negative effect on what can be done.

This Government must understand and accept that policing requirements are quite different in rural areas from those in the centre of Norwich. On a Saturday night in the city centre, people duff each other up because they are drunk; the police can come to the rescue because they are only three or four minutes away. If someone calls a police officer to come to a farm in the middle of the fens on a Saturday night when there is an event going on in Norwich, it is awful to say it, but the police may not get there for some time.

I see that the Minister has probably just been handed some information about rural crime in my constituency. Yes, relatively speaking, it is low; but if something has been stolen from people or their property has been violated, statistics matter not. What matters is effectiveness and how long it takes to get the problem dealt with. Time after time I hear stories about what happens. If it is not as bad in Norfolk as in other parts of the country, I am awfully sorry but that does not matter for a victim of crime. What matters is the attention people are given and how their problem is dealt with. The police in Norfolk do a brilliant job in difficult circumstances, but this recession has made the position even more profound.

I leave this issue with the Minister. Will he give due consideration to all the points raised by my colleagues—dare I say it, by Opposition Members, not Government

[Christopher Fraser]

Members?—this evening? At this 11th hour of a Labour Administration, will he seriously consider making a gesture towards the rural economy in the light of the recession it is facing across the country? Will he deal with the problems of the recession in rural areas, as the Government have done through all sorts of initiatives in areas where seats may be marginal and they think it might make a difference? If the Government can help, I can tell the Minister that although people may not vote Labour, they will once and for all appreciate that their voice has been listened to in this Chamber—and for that I would be most grateful.

6.36 pm

Mr. Edward Timpson (Crewe and Nantwich) (Con): I wish to make a short contribution to today's timely and welcome debate. In doing so, I am wearing two hats. I wear my first hat as the MP representing Stapeley, where the farmers' milk co-operative Dairy Farmers of Britain is based; sadly, the company went into receivership on 3 June this year. I wear my second hat as the secretary of the all-party parliamentary group on dairy farmers, who make up a sector of British agriculture that is very important not only to my constituency and the rural areas of Cheshire, but to the United Kingdom as a whole.

Let me deal first with Dairy Farmers of Britain. I thank the Minister for the update he gave us earlier about the circumstances in which the company finds itself. It is one of the dairy flagships of Crewe and Nantwich and it deserves as much support as possible, and I shall explain what exactly needs to happen in that regard. The fact that it has hit upon such hard times has sent shockwaves through my constituency's agricultural community and provides no relief to the people working there. We must remember that the community affected is made up not just of farmers, but of non-agricultural staff as well.

You may be aware, Mr. Deputy Speaker, that the agricultural community in Cheshire and across the whole of the UK relies heavily on the dairy industry to remain healthy through very difficult times. The DFOB's Stapeley headquarters employs some 40 permanent staff, plus field-based staff outside the Stapeley offices. These staff have no representative body to speak of, and a number of them have contacted me personally to express their concerns about how long they are going to hold on to their jobs and how much information they are going to receive through the process. I hope that the Minister will take that into account when he goes back to the Secretary of State and explains the position of my constituents who are suffering as a result of the current recession.

On the basis of discussions from my office, the receivers, PricewaterhouseCoopers, seem to be following correctly laid down procedures, but that does not necessarily help those going home on Friday who do not know whether they will still have a job to come back to on Monday, particularly when they have seen the DFOB dairies at Bridgend and Blaydon simply closed, rather than sold on as an alternative. We hope that the position will be looked at further, but that is the current state of affairs and it is extremely worrying.

Mr. Graham Stuart: Because of the dairy in his constituency, my hon. Friend is well aware of the impact on its employees. At my last Beverley street surgery, I met a couple who, because of the recent devastating recession in the industry, are among the last remaining dairy farmers in the constituency. They are both at risk of losing a month's milk payment, while facing the additional risk of losing their investment in the company. This is an extremely frightening time, so it would be good to hear from the Minister what support the Government might be able to provide to dairy farmers to help them through it.

Mr. Timpson: I am grateful to my hon. Friend for raising that point. It is true that farmers who were part of a co-operative and invested in it lost their May payments for the supply of milk that they provided, and there is also concern about their future investment. Fortunately for many farmers in the Crewe and Nantwich area, they had managed to opt out of the co-operative before the state of affairs had worsened to the extent of receivership, but nevertheless many farmers who rely on a certain level of cash to keep themselves going now find themselves with a great black hole in their finances and very little support to see them through the crisis. Some of what we have heard from the Government today is welcome, but it is still a case of shifting sands. We need more concrete answers to give farmers who find themselves in such difficulty.

If I had one word of advice for the official receivers, it would be to liaise with Members whose constituencies contain affected sites and to keep them abreast of the position so that they can support their constituents as much as possible as and when such support is required.

Let me say something about the members and ex-members of the co-operative. As I have said, in Crewe and Nantwich many left when they saw that the writing was on the wall, and they did that in order to maintain a regular income from their milk. However, their investment in the co-operative has not been returned, and they are listed simply as unsecured creditors under the Insolvency Act 1986. I ask the Minister to look at the position as a matter of urgency. We understand that talks will resume on Wednesday in an attempt to find a solution. I believe that assistance may be available from organisations such as the Royal Agricultural Benevolent Institution, but it will be no substitute for the tens of thousands of pounds invested by farmers in DFOB. To many of them, that money represents their pension pots. My hon. Friend the Member for South-West Norfolk (Christopher Fraser) raised the issue of pensioners earlier.

I welcome the update from the Minister. I too have liaised with the receivers this week, and I shall be meeting the president of the National Farmers Union. I am also grateful to the Secretary of State, who, although he did not have time to come to the Chamber today, has found time to meet me on Wednesday to discuss the future of DFOB.

What am I asking for on behalf of DFOB and all who have been affected by its current crisis? I simply ask the Government to take a considered and detailed view of how they can best help non-agricultural staff and farmers in my constituency, and the others who have been mentioned. What financial assistance can the Government provide to alleviate the anguish caused by

lost investments and pensions? What assistance can the Minister provide through Jobcentre Plus for those who lose their non-agricultural jobs at such short notice? Can he ask his Cabinet colleague in the Department for Work and Pensions to ensure that these hard-working people are assessed immediately for entitlements and retraining when that is required?

As my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) will know all too well, having kindly visited and spoken to dairy farmers in my constituency twice in the past 12 months, between 2001 and 2006, 48 dairy farms closed in the Crewe and Nantwich area. According to the Royal Association of British Dairy Farmers, whose representatives I met last week, the number of dairy farmers in England and Wales fell from 28,000 in 1995 to 11,700 this year. That is a drastic fall. More recently, despite the uplift in milk prices in 2008, the average cost of production has reached 26.93p per litre, while the average price is 24.37p. Those figures speak for themselves. We can see how desperate the situation is for dairy farmers and the industry, and why the Government should act as soon as possible.

That leads me to my final, and brief, point about the need to support British agriculture and—unsurprisingly—the need to support the British dairy industry. I asked what three things a local farmer would say to Parliament if given the chance. The answer was, "Give us a fair price, assist us with nitrate vulnerable zones by not gold-plating the legislation, and cull the badgers. I'm surprised I haven't seen more suicides." DEFRA knows those issues, and knows them well. It is time for DEFRA to act.

6.45 pm

Mr. Philip Dunne (Ludlow) (Con): I am grateful to have been called slightly earlier than I expected. It is a pleasure to participate in such an important debate. As others have said this evening, it is a long time since we have had the opportunity to discuss the impact of the recession on the rural economy, and I am pleased that my colleagues selected the topic for an Opposition day debate.

I think that one of the reasons why we have so little opportunity to discuss such issues in Government time is that the Government simply do not get it. That is not entirely their fault. Although there are far more Labour than Conservative Members, very few of them represent rural constituencies. The hon. Member for North-West Leicestershire (David Taylor) is a regular Labour champion of rural affairs, but he is a pretty lonely voice. As for local government, following last week's election results there is not a single Labour-controlled rural shire authority. Indeed, many such authorities have no Labour representative. In a number of our constituencies, Labour representation has been all but blown away at local level: my constituency has only one Labour councillor. It is therefore not surprising that Labour representatives are not willing to put rural affairs at the top of their agenda.

I represent one of the most sparsely populated rural areas. I should add that I have the pleasure of chairing the all-party parliamentary group on rural services, which exists to champion, in particular, the least well-populated parts of the country, where the cost of supplying services—whether in the public or the private sector—is highest. I find it very depressing that such an important sector of the economy receives so little attention in this place. Part of the attention that it does receive, along with the focus of Government efforts to help the rural economy, is strongly driven by a perception that rural areas serve as the playground of the nation. However, although tourism is an increasingly important diversification for those who have engaged in more traditional primary activities in rural areas, it is not the be-all and end-all. It is not the only activity that Government should seek to encourage.

Many areas of active industry in the rural economy are now perceived by Government as there to provide entertainment for the masses. Forestry is an example. The second largest landowner—after Her Majesty the Queen—is the Forestry Commission, which under the current Government has been transformed from a primary producer of timber products whose purpose was to provide construction materials and other building products for the nation to, essentially, a playground. There has been an appalling failure to accept that responsibility for the nation's forests lies with the Government. The forests owned by the Government are seen as being there purely to divert the people. That is all very well in one sense: we should be encouraging access to our forests. However, if we do so at the expense of the industry itself, in a few decades' time we will no longer have forests. Instead, we will have scrubland areas which will not be attractive places to visit, and which will not provide the biodiversity that is at the heart of the Government's argument for allowing forestry to regenerate naturally rather than being planted.

David Taylor: I think that the hon. Gentleman would generously acknowledge that in the Government's forestry policies the national forest is an exception. That project was started in the early '90s under a Conservative Government, and it has been tremendously successful. It covers 200 square miles and straddles three counties and two regions, and it has been very helpful to economic development, environmental restoration and sustaining the communities that lie within it, many of which are rural. The Government have supported that project over a 12-year period, as the hon. Gentleman's party supported it at its inception.

Mr. Dunne: I look forward to learning more about the national forest to which the hon. Gentleman refers.

I wish now to touch on certain Government measures that are having unintended consequences—at least I hope they are unintended—for many of the businesses that are so vital in maintaining a vibrant economy in rural areas. As other Members who represent constituencies with small towns and villages have said, many such settlements are at present experiencing the loss of some of their last public, and indeed private, services. Members have mentioned that jobcentres, pubs and shops are closing throughout the country as a direct result of the recession, but they are not closing only as a result of the recession; they are closing partly as a result of Government policy.

We face the prospect of a tobacco display ban in shops. Many of us—myself included—are not keen on encouraging smoking, but that proposal is based on poor research from international comparisons and a poor level of evidence, and its effect will be to put at risk the survival of many of the small convenience stores

[Mr. Dunne]

and corner shops which, in many villages in my constituency and elsewhere, are the only retail outlets left. Such shops rely for their footfall on the many people who go there to buy tobacco. The National Federation of Retail Newsagents predicts that some 2,500 such shops will close. If that is the case, their closure will be a direct consequence not of the recession but of a Government measure. It is intended to achieve a desirable public health aim, but it will have the unintended consequence of depriving communities of their main source of purchasing other goods, as such shops are often also the convenience store where people can buy their food.

Let me offer another modest example from my constituency. Over the past year, I have been besieged—that is not too strong a word—by operators of small bed-and-breakfasts. Many former farmers or people whose houses have spare rooms choose to diversify their income by opening their home to visitors who love the beautiful scenery of south Shropshire. Bed-and-breakfasts are now subject to the same fire regulation inspection regime that applies to much larger commercial institutions such as hotels, yet the proprietors of bed-and-breakfasts typically do not have the available capital to meet the standards that might be imposed on them by fire officers. If they cannot meet the standard imposed on them, they have no option but to close. No appeal mechanism is available to these people, who might have been operating a bed-and-breakfast for 10 or 20 years. They cannot explain that, for instance, there have been no fires and that there is limited fire risk, yet regulation imposed by central Government tells them that such steps are necessary.

Mr. Roger Williams (Brecon and Radnorshire) (LD) *rose—*

Mr. Dunne: I am sorry, but I will not take an intervention, as I am conscious that another Member wishes to speak, and he has been present for the entire debate.

That is just another small example of the pernicious consequences of Government direction. They believe that businesses are capable of absorbing that considerable added burden, but there is no benefit to the business in that. Consequently, the local economy can suffer.

My final example, which is very much a live issue in my constituency at present, is the scrapping of the empty property rates relief. Again, this affects people who have been encouraged to diversify their activities, such as farmers who have developed workshops out of redundant barns, or, especially in my area, people who have developed their garage premises into light industrial premises but find that there are not any light industrial users. There are now increasing numbers of empty premises. It is almost impossible to secure the granting of a change of use from the planning authorities despite the current housing crisis. As a result of the reduction in rate relief, owners must suffer significant tax on empty properties, and it would not surprise me if a number of them were to decide to make their premises uninhabitable in order to avoid the tax. That is, I think, an unintended consequence; I am sure the Government do not want properties that could be put to economic use to be pulled down, but that will, I fear, be the direct result of a Government measure.

6.56 pm

Mr. Peter Atkinson (Hexham) (Con): First, may I congratulate the Minister of State on his appointment to his new job? We have over the years come across each other from time to time in this House, and normally our encounters have been good-humoured, and I hope that continues. His predecessor the right hon. Member for Liverpool, Wavertree (Jane Kennedy) has just left the Chamber, but I want to thank her as well. She managed finally to solve one of the most complex problems arising from the single farm payment. Almost the last thing that she did was sign off that problem, and as a result a farmer in my constituency has been promised the money under the single farm payment. I suspect that the right hon. Lady will get into trouble from Europe as a consequence, but I would like to place on record my gratitude to her for doing that.

I am also grateful for the update on Dairy Farmers of Britain. The processing plant in Blaydon has closed, leaving a considerable problem for the few remaining dairy farmers in the north-east of England. Most of them have now found contracts, but there is a long-term problem: because the processing plants for milk are now so distant from the north-east, longer to transport distances milk will lead to higher costs, which will increasingly affect the viability of the few remaining dairy farmers in that region.

That brings me to the problem of the beef industry as a whole. I appreciate that we will have a debate on agriculture on Thursday, but the recession has touched this industry as much as any other, and, of course, a recession in the dairy industry also affects the amount of beef that is available for consumption. That will mean that our degree of self-sufficiency in beef will decline even further than it already has—from more than 100 per cent. in 1997 to only 80 per cent. currently. We have to import the rest, often from countries whose welfare standards are far less reliable than those of the United Kingdom.

I wish also to pick up on a point that my hon. Friend the Member for Arundel and South Downs (Nick Herbert) made in his opening speech. The most important lesson to come out of this debate is that we must devolve power as far as possible. It is very difficult to pin down exactly what a rural community is. A rural community in my Northumberland constituency is very different from one in Suffolk or Surrey, or one in Sussex, where my hon. Friend's constituency is. Each has its own set of problems, and each requires individual attention and local determination in order to solve them.

The housing issue provides an example of that. In rural Surrey, huge housing demand is what causes real problems, but in parts of Northumberland, particularly those rural areas which were formerly coalfield areas, local people want more properties to be built, because that makes their communities more sustainable. Such communities have declined because the coal industry left the area, and new houses and people, often coming from the towns, bring life back to them. We therefore want more properties in those areas, yet we live under the dread hand of the regional spatial strategy, which imposes things from above. For instance, in the part of Northumberland that I represent, we can build only 157 new houses over the next five years, which is ridiculous. According to the spatial strategy, we should all move into the city of Newcastle, and not live in the rural

communities, which is what we want. The main lesson, therefore, is that we should devolve decision making to its lowest possible level, and deregulate and decentralise. That is how rural communities will be able to fight the recession.

6.59 pm

Mr. James Paice (South-East Cambridgeshire) (Con): May I start by properly welcoming both new Ministers to the Department? The hon. Member for Poplar and Canning Town (Jim Fitzpatrick) has a hard act to follow. The right hon. Member for Liverpool, Wavertree (Jane Kennedy) was in the Chamber a few minutes ago but, sadly, she has left her place. I wanted to commend her because despite the fact that, like the new Minister, she came into the Department with a self-confessed complete lack of knowledge of the issues she was facing, she applied herself willingly to a steep learning curve and in a short space of time persuaded the farming industry and the rest of the rural community that she was very much aware of their issues and very much on their side. Nevertheless, I wish the new Ministers well in their posts.

In his response to my hon. Friend the Member for Arundel and South Downs (Nick Herbert), the Minister made a great deal of the rural development programme for England. I must say, as an aside, that his words rang truer when he moved off his script and said what he really felt, rather than what he had been told to say. When he has had a chance to travel the length and breadth of England—it is not his fault that he has not yet had the chance to do so—to talk to farmers and to rural communities, he will not find much support for the way in which the regional development agencies have operated in the rural sphere. They have contributed far more sums of more than £1 million than smaller sums of £100,000 or less, which would be much more relevant to small businesses wishing to improve their productivity, to diversify and so on.

Everywhere I am told about this, I find that the schemes devised—they are all different—by each RDA are bureaucratic and very difficult to access. At last week's cereals event—I went the day after the Minister—I went to the RDA stand, where an official told me, with some apology, about a farmer who had just been in wanting to see whether he could apply for a grant of about £40,000 for a meat-cutting plant, only to be told that he was not eligible. That had nothing to do with the rights and wrongs of the scheme. I have no idea whether it was a good or bad scheme, but he was told that there was no scheme that suited his needs—that is laughable, because that is precisely what the rural development programme for England was designed to produce. I hope that when the Minister has had the opportunity that I mentioned, he will look again how that programme is working.

The Minister also trotted out a litany of statistics. I intervened on him on the issue of poverty, which is a huge issue in rural areas, not least because it is less obvious there than in big urban areas, where often whole blocks of flats or areas of communities all live in poverty. In rural areas, because of the lower population density, one often finds only one or two people living in poverty and they may live next door to someone who is clearly quite affluent, so this is a much more hidden form of poverty, but it is there. I hope that the Minister who winds up will address poverty issues and the spending plans of the Department for Environment, Food and Rural Affairs. I was astonished to find that last year DEFRA actually cut spending on "strong rural communities" by 35 per cent. The Government have also failed to mention the real-terms cut in DEFRA's budget. It has been cut by £200 million since last autumn's pre-Budget report, yet they have the nerve to criticise our proposals in their amendment to our motion.

A number of hon. Members rightly referred to the catastrophe of the demise of Dairy Farmers of Britain, in particular my hon. Friend the Member for Crewe and Nantwich (Mr. Timpson), in whose constituency it is based. Of course I welcome the measures being taken by the receivers and by other milk buyers, and I am pleased that DEFRA officials have been involved in negotiations to try to find other buyers. However, it is very important that the banks, and indeed the merchant trade, take a generous approach to those farmers who have lost a month's milk cheque. Very few businesses in any sector of life could withstand losing one twelfth of their income unexpectedly, just like that, with no time to plan. If the Government had introduced the national loan guarantee scheme proposed by my Conservative colleagues, there would be some opportunity to assist. I am anxious to ensure that some of the smaller and more remote producers find outlets for their milk, because they are the ones who will find it hardest to survive.

I hope that Ministers will also agree that what has gone wrong at DFOB—its previous and present management both have many questions to answer—does not relate to the fact that it is, or was, a co-operative. I was pleased that in the same week, Milk Link, another co-operative, reported increased profits—that is good news. What happened at DFOB was about business management and control, rather than simply about the fact that it was a co-operative, although I have no doubt that there will be those who will try to paint this as an inevitable problem that one gets with co-operatives.

Some hon. Members mentioned a number of other agricultural issues, but I shall resist the temptation to launch into those, because we can do so at great length during Thursday's debate. In passing, I should point out that the hon. Member for Westmorland and Lonsdale (Tim Farron) trotted out almost everything he could think of on this subject; that may or may not mean that the House is relieved of the task of listening to him again on Thursday.

This evening, we have heard a wealth of experience from a number of hon. Members—sadly, it has come only from those on the Conservative Benches—who have spoken about the importance of the rural economy. They have spoken of its huge breadth, covering not only farming and the food industry, but manufacturing—traditional craft manufacturing right through to high-tech manufacturing—a lot of research, small businesses, telecommunications and so on.

A number of my Conservative colleagues have discussed specific issues. My hon. Friend the Member for North Dorset (Mr. Walter) referred to the Government's failure to understand the scale of issues in rural areas. It would be completely wrong to suggest that losing one's job is not a crisis for any individual, but, as he said, whereas it is bad news when half a dozen jobs go when a business closes in a large urban area, when a business loses the same amount of jobs in rural area that can be a complete

[Mr. James Paice]

catastrophe for the village in which it happens. It can wipe out the employment prospects for a large proportion of the people in the area.

My hon. Friend also raised issues relating to the village pub—and not only alcohol duty, on which we have our own proposals. Like my hon. Friend the Member for South-West Norfolk (Christopher Fraser) and others, he rightly referred to other issues relating to business rates. I know that a debate is taking place later on that matter, but I wish to mention something that, unusually, has been raised in my constituency. As a result of the recent rate revaluation, the business rates of someone from a village pub had rocketed up by £4,000—that is a lot of money for a small village pub. He could not understand the situation until we looked into it. He had been on a transitional process since the previous revaluation. The trouble is that the Government had designed a transitional process that had not got him to where he should have been at the previous revaluation, so he lost that relief and had to go to the new revaluation, which meant a substantial percentage increase in his rates.

My hon. Friend the Member for South-West Norfolk also referred to the reality on the ground of businesses trying to get loans to see them through the current crisis. He motioned rural crime, but he did not mention—so I shall do so now—that violent crime has increased by some 20 per cent. in rural areas since the recession set in. A number of hon. Members have referred to housing, as my hon. Friend the Member for Arundel and South Downs did in his opening remarks. Even Labour Members have said, in interventions, that a figure of only 10,000 planned homes in rural areas is wholly inadequate. I stress the need to address what has gone wrong. It is not, despite what the hon. Member for Westmorland and Lonsdale suggested, all the fault of the Conservative Governments who sold all the council houses. The problem was that the money raised stopped being recycled. Part of the big advantage of selling council houses was that that money would be recycled to build new social housing in those areas. It was the present Government who stopped that and confiscated the money to give to other local authorities.

We need to get rid of the ridiculous top-down planning strategy—we will abolish the regional spatial strategies—and give power to local communities to decide what low-cost housing they need and where to put it. We will also use the exception site policy, introduced by the Government of which I was proud to be a member—

Tim Farron: Will the hon. Gentleman give way?

Mr. Paice: No, I apologise—

Tim Farron: Does he remember the 1980s?

Mr. Paice: The 1980s are a subject for another day, but I assure the hon. Gentleman that I probably have a much better recollection of them than he has, as I presume he was doing his GCSEs at the time.

The point is that if local decision making is given to local communities, they will be much more amenable to allowing houses to be built in their communities, instead of having them imposed from the top down and being told that they must have a lot of extra houses.

Rural transport has also been mentioned several times. The Minister waxed lyrical about how much money the Government have poured into bus services, but let me quote from the Commission for Integrated Transport—the Government's own body. It says:

> "Rural bus provision has declined steadily over the past twenty years as bus operators focus on more lucrative urban markets. Combined with this has been a move away from local service provision—the closure of post offices, shops and garages in particular—resulting in poor access to many facilities".

That underlines the Government's failure to understand the importance of access to services. It is often very difficult for people in a rural community to gain access to services. The bus service is at best sporadic, and is completely absent in many areas. When schools, post offices, pubs, village shops, police stations and dispensaries in GPs' surgeries close—as many have in recent years—it not only disfranchises the community, but makes it much harder to recover from any pressures put on it.

My hon. Friends the Members for Ludlow (Mr. Dunne) and for Hexham (Mr. Atkinson) also made pertinent points, especially on the issue of empty properties rate relief, which has hit a huge number of rural businesses and farms that have invested in property—as the Government and all politicians encouraged them to do to benefit the local economy—and have, with difficulty, persuaded the planners to agree, only to find that they cannot let those properties because of the recession and are stuck having to pay rates on them. I am sure that the Government did not intend the measure to hit such businesses, but that is the law of unintended consequences.

There is no list of figures or litany of all the things that the Government have done that will persuade people who live in rural communities that all is well there. People who live in those areas and understand the realities cannot be convinced by listening to a Minister trotting them out. I would have hoped that the Minister would not have followed the practice of the Prime Minister, who seems to respond to any challenge by trotting out another litany of statistics, but the fact is that the Conservatives—as displayed in the debate and in our motion—know that there are real examples of difficulty. We have real knowledge of the problems of rural areas. I am proud to have been born and brought up in—and now to represent—a rural area. That is my history and I am passionately proud of it. We have not had a single speech from a Government Back Bencher in support of their amendment, and there can be no better testament to the veracity of our motion, which I commend to the House.

7.14 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): I thank the hon. Member for South-East Cambridgeshire (Mr. Paice) for his kind welcome to my colleague and me, and especially for his kind words for our predecessor, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), which are much appreciated.

I am a new Minister, with less than a week's experience. I can honestly say that it is a steep learning curve, but I cannot think of a better debate to start with, especially as I represent the semi-rural constituency of north-east Somerset, or Wansdyke as it is known.

In the best traditions of the House, this debate has been informative. I have heard some genuinely interesting things, some of them new to me. I have also seen the passion with which many hon. Members have spoken. I

do not necessarily agree with everything that has been said, but I recognise that passion.

Christopher Fraser: Does the Minister agree that it is a great pity that no Labour Back Bencher has contributed to the debate?

Dan Norris: I thank the hon. Gentleman for that helpful intervention. It is up to hon. Members to decide whether they want to contribute to the debate and, having heard some of the contributions from the Conservatives, I can see why my hon. Friends might have been dumbfounded and stuck in their seats. I will leave it at that.

The hon. Member for Hexham (Mr. Atkinson) asked about milk supplies, especially with regard to the problems with Dairy Farmers of Britain. That is a serious problem, and the Government are greatly concerned about it, especially its impact in the north-east—the area that the hon. Gentleman represents. I do not think I can add much more to what my hon. Friend the Minister of State has said, but I hope that the hon. Gentleman will be reassured that the Government are taking this seriously. I will be involved in a series of meetings in the coming days and weeks to look specifically at the issues that have been raised. It is difficult to provide any further information at this point, because the situation is very fluid. It is hard to comment now other than to say that it is a tough challenge, but the Government will rise to it and find a way forward. I agree with those hon. Members who say that the problem has arisen is not because the organisation is a co-operative, but because of other factors.

The hon. Member for Westmorland and Lonsdale (Tim Farron) raised concerns about milk prices, which my colleagues and I share. The hon. Gentleman might be interested to know what my officials have been able to tell me so far. The Competition Commission is now consulting publicly on draft undertakings to establish an ombudsman to arbitrate in disputes between retailers and suppliers, and to investigate complaints under the new grocery supply code of practice. The deadline for those responses was 28 May. If retailers do not sign up to the undertakings, the Competition Commission will recommend to the Department for Business, Innovation and Skills that it take steps to establish the ombudsman instead. In that eventuality, DEFRA will be one of a number of Departments invited to comment. I hope that the hon. Gentleman will be pleased to hear that. Obviously, the Government would like any assessment to be based primarily on what would be in consumers' best interests—we must never forget that they are the important individuals in this matter—but we cannot comment until the issues have formally come back to Government. I cannot risk prejudicing the consultation, but I thank the hon. Gentleman for his contribution.

The hon. Member for South-West Norfolk (Christopher Fraser) made some interesting points, and I invite him to come and see me to talk a little more about them. I certainly share some of his concerns, not least those to do with his having a very large constituency. I think he said that his constituency covered 1,200 square miles, which is very large. That is four times the size of my constituency, which is considered large in my area. I hope that he will come and see me to talk a bit further about that.

The hon. Gentleman also mentioned Jobcentre Plus, and a modernised service is needed to reach those who cannot get across such large geographic areas. Although I appreciate that it is sometimes difficult for older people, in particular—I was moved to hear about his grandmother's situation—the truth is that telephones are often very helpful in rural communities in making first contact and in responding to the difficulties that are raised. I hope he will appreciate that, in the end, geography is a huge challenge and we cannot always cover or compensate for that difficulty. With an intelligent application of technology, we can perhaps make a significant difference, and I hope that we can talk about that when he comes to see me.

The hon. Member for Falmouth and Camborne (Julia Goldsworthy)—who I saw in her seat a moment ago, but who has now left the Chamber—raised some important issues about the difficulty of accessing NHS provision in her constituency. Obviously, I share those concerns, but although the NHS is a national system its services are delivered locally. Each primary care trust has to work out carefully what is needed to meet local need. I hope that she will make a point of coming to see me, too, to discuss her local concerns. I invite all right hon. and hon. Members to do the same if they have concerns about NHS delivery in their constituencies.

I want to move on, if I may, to talk about some of the general points that were raised in today's debate. I think my hon. Friend the Minister of State was right, in his opening remarks, to point out the difficulties with average statistics. They sometimes hide significant needs. I know that from my constituency. Wansdyke had the lowest unemployment level in the UK about five years ago, yet I know that behind that prosperous headline lie real deprivation and poverty, albeit in small pockets. That is a genuinely despicable situation that one would not knowingly want or choose. I hope that people understand—as I hope I do, given that I represent a semi-rural seat—that poverty, wherever it exists, is clearly a bad and difficult thing but, in some ways, rural poverty brings additional burdens because of the isolation that people also experience. Help and assistance are not always easily available as people do not have the support of neighbours or friends that they might get in an urban area.

The important thing to stress is that wherever people live—in rural or urban communities—the problems that they face are pretty similar, despite the unique circumstances that arise in some rural communities. Most people want improved education, a better health service, affordable homes to buy and rent and a range of other important things, not least low crime figures. Although rural areas have many challenges, I do not accept that they are notably different from the rest of our society.

I want to touch on some of the key points that came up in today's debate. The first is broadband. The Government are acutely aware of the vital importance of good communications for individuals and small businesses in rural areas. After all, a greater proportion of home workers can be found in rural areas than anywhere else. That is why in the Budget we committed ourselves to a universal broadband standard of 2 MB a second, wherever reasonably possible and wherever anyone lives, by 2012. More details will be given in the "Digital

[Dan Norris]

Britain" report, which is due out soon. I know that right hon. and hon. Members will be keen to know about that in more detail.

The Government are also mindful of new emerging technologies. We have jointly commissioned research to help to ensure that any benefits that might be forthcoming from new technology can be shared across all communities in the years ahead. That is vital. It is terribly important to the Government that the dynamism in rural communities is not lost as regards national wealth creation. It is vital that communications should be as good there as anywhere else. I hope that hon. Members will raise any questions about that with me in the future.

Secondly, the Government recognise the great importance of the post office network while also recognising the need for taxpayers to spend their money wisely and efficiently, particularly as we face the consequences of the worldwide economic downturn. That is why we are providing a subsidy to the post office network of £1.7 billion. I will say that again, as it is such a large sum: we are providing £1,700 million to secure the future of the post office network, with £150 million a year targeted at the 7,500 loss-making post offices, the vast majority of which are in rural communities. Of course, that action is in stark contrast to the proposals of the two main Opposition parties. The Conservative party would not subsidise loss-making post offices at all, but would allow them to go to the wall as it did when that party was previously in government, when some 8,000 post offices went to the wall. The Lib Dems take the line that they would not let any loss-making post offices close and would write a blank cheque. The sensible thing to do, I think, is to take the middle way and to recognise the importance of the taxpayer while also recognising the importance of rural post offices in their communities—*[Interruption.]*

Thirdly, Jobcentre—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. May I ask hon. Members who have just come into the Chamber and who are conducting private conversations to show some respect for those who have participated in this debate and to allow them to hear the Minister's response?

Dan Norris: Thank you, Madam Deputy Speaker.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): On the closing down of post offices, perhaps the Minister could have a word with the Minister of State, who is sitting next to him, who closed the post office in our village and many others around the country.

Dan Norris: I was very kind to give way to the hon. Gentleman, since he had only just walked into the Chamber, so I shall treat his comments with the contempt that they perhaps deserve.

Thirdly, on Jobcentre Plus, the worldwide recession means that support and help for those suffering in the UK are vital. This is not a time to do nothing. That is why we are injecting £1.7 billion to ensure that people get the support they need now to weather the storm and quickly take advantage of the upturn when it comes. That is why we will not close the 25 Jobcentre Plus offices whose closure was previously announced, and there will be a moratorium on any further closures. Access is an important issue with Jobcentre Plus, but that will mean that more than 50 per cent. of people living in rural communities will live within 5 miles of their Jobcentre Plus centre. That is important, given the fact that some rural constituencies cover very large areas, as we have heard.

The Government recognise the serious impact that the world economic downturn is having across the country—and on rural communities too, of course. I must say that there is no real evidence—I have sifted through much of the evidence in the past few days—to show that rural communities are having a more difficult time than anywhere else. If anything, they are doing slightly better in some key areas.

Many of the points raised in today's debate have been informed and informative, and I have found them interesting. However, many of the questions from the Opposition have suggested that additional funding is the answer to the problems caused by the economic downturn and being experienced in rural communities. I shall simply close by saying that, if the Opposition feel that extra resources are what is needed, it is very hard to understand how they can advocate cuts of 10 per cent. across the board and think that that will deal with the difficulties faced by people in rural communities or elsewhere in the UK.

Question put (Standing Order No. 31(2)), That the original words stand part of the Question.

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 205, Noes 280.

Division No. 149] **[7.28 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark

Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and
Mr. Philip Dunne

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blunkett, rh Mr. David
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian

Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, rh Mr. Sadiq
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Malik, Mr. Shahid
Malliaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Steve McCabe and
Mr. Bob Blizzard

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)).

That the proposed words be there added.

Question agreed to.

The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved.

That this House recognises the serious impact that the economic downturn is having across the country and the support the Government is providing to people, communities and businesses to come out stronger and build Britain's future; notes that the Government has introduced new measures to increase finance aid for rural businesses through the Rural Development Programme for England as a response to the economic downturn; welcomes the Taylor Report's work on making sure rural communities have affordable housing and sustainable economic opportunities; commends the work of the Homes and Communities Agency to build 10,300 rural affordable homes between 2008 and 2011; applauds the Government's commitment to connect communities and support local businesses with a minimum guarantee of 2MB broadband for virtually everyone in the country; notes that unemployment levels in rural areas remain below those in urban areas and is committed to helping maintain high levels of employment in rural areas; expresses serious concern about the impact on rural communities of the Opposition's promised 10 per cent. cut to the budgets of most Government departments that assist people in rural areas; and supports the Government's commitment to continue to work with the Commission for Rural Communities, Regional Development Agencies and local communities and businesses to help people through these difficult economic times.

Business Rates

Madam Deputy Speaker (Sylvia Heal): I must inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

7.45 pm

Justine Greening (Putney) (Con): I beg to move,

That this House expresses concern over the above-inflation rises in business rates since April 2009 and plans for the 2010 business rates revaluation; notes that all rate-paying businesses have already been hit by five per cent. above inflation rises and that the withdrawal of transitional relief has disproportionately hurt small businesses already struggling to cope with the recession; further notes that regulations relating to the business rate partial deferral scheme are yet to be placed before the House; observes that the additional burden of empty property rates further undermines struggling businesses; expresses disappointment at the failure in the Budget to help businesses and local authorities by making small business rate relief automatic as in Wales; believes that councils should have the power to levy local business revenue rate discounts and be rewarded for local regeneration and business rate growth; and further notes that the retrospective business rates being imposed on firms in ports, many involved in the car industry, will hit firms with a £124 million increase in taxes, risking insolvency and job losses.

Today's debate is of real importance to businesses across Britain, because the problem relating to business rates and business rate rises is so acute. This country has been in recession since last year, and the impact on businesses and employment has been dramatic. In fact, the most recent figures from the Federation of Small Businesses show that, every day 120 small businesses close down . Above all, in the credit crunch even firms with perfectly good business models are going bust, not because they are loss-making but just because they cannot get the liquidity that is needed. We recognise the problems with cash flow, which is why we have been pressing Ministers to go for our bigger and bolder national loan guarantee scheme to help provide certainty for businesses that are lending credit to one another.

Members would have thought that Ministers in the Department for Communities and Local Government who look after business rates would have taken particular care in their decisions that affect businesses, but they would have been wrong. In the past few months, when it comes to business rates, struggling businesses across Britain have seen Ministers press ahead with decision after decision that can only make their liquidity situation worse. First, at the end of last year, Ministers confirmed that all companies paying business rates would see a 5 per cent. inflation-busting rise. By the time it was due to hit businesses and our economy, economists were discussing whether deflation was a concern, and the Bank of England was embarking on its quantitative easing. However, Ministers refused to reconsider their decision. In fact, they even refused to prepare an impact statement that considered how such massive, inflation-busting rises would hurt businesses, employment and the economy.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): Will the hon. Lady please tell the House how Ministers could have changed the formula, which her party introduced when in government, given that, on revaluation, it requires the yield to be maintained, with no discretion for the Government to take a different decision?

Justine Greening: I am grateful for the right hon. Gentleman's intervention. Much as I respect him, I think that people in businesses listening to that will find it a classic "computer says no" attitude to getting through this recession. We have heard about the do-nothing party; I think we have suddenly found which is the do-nothing party in this Chamber tonight.

Dr. Alan Whitehead (Southampton, Test) (Lab) *rose—*

Justine Greening: I will make a little more progress, but I will give way shortly.

Ministers are refusing to reconsider their decision, as we have heard. In fact, they soldiered on for months with their heads in the sand. That was bad enough for businesses that were trying to cope with the recession, but Ministers did not stop there: next down the track came the withdrawal of transitional relief. From what data there are, it is clear that some businesses were hit far more severely than people expected by the withdrawal of transitional relief, which had cushioned the impact of the 2005 rates revaluation for many businesses, but Ministers should have known about the impact that that would have. At a time when so many businesses were on their knees, Ministers again kicked away what could have been a final, extra year of transitional relief, and the impact has been huge. The FSB surveyed members in London and found that of those paying business rates nearly two thirds faced rises of 6 per cent. or more, and nearly one in 10 faced a rise of over 20 per cent. That masks the fact that a minority in that group faces much bigger rises. I shall come to that shortly.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Can the hon. Lady explain her party's policy on transitional relief? By definition, at some point that comes to an end. Is she saying that it should always last for five years, instead of four? Does she accept that, given the ability to defer part of the rate increase, 60 per cent. of the transitional relief, which ends in the fifth year, can be deferred to the next two years?

Justine Greening: It is interesting that the last time the revaluation took place, in 2000, the hon. Gentleman's party chose to adopt a five-year transitional relief. The option to do that again was dismissed by his Government. I have asked the Government what they plan to do in the 2010 revaluation, and we still have no response from them. Part of the problem is bad information. I am happy to send to him parliamentary question after parliamentary question in which I have asked how many companies were affected by transitional relief, but received no answer.

The last time any assessment seems to have been done on the impact on businesses of the withdrawal of transitional relief was in 2004. At that time there was no recession. Now we have a recession, but Ministers have not been prepared to revisit any of their decisions. Again, we hear their defeatist attitude: "We cannot do anything to help small businesses. Let's just push on with the plan that we already have."

Dr. Whitehead: Is the hon. Lady saying, as her initial remarks suggested, that she would change the legislation on the basis on which the business rate is determined, with reference to the retail prices index; that contrary to

[Dr. Whitehead]

everything that has happened since 1990, she would change the arrangements relating to transitional relief; and that she would change the arrangements relating to the raising of the business rate itself? Can she confirm that that is her party's policy from now on?

Justine Greening: I am pleased that the hon. Gentleman is talking to me as though I am already the Minister looking after this brief. We should look at those aspects to see what we can do to help business. He seems already to have gone into Opposition MP mode.

There is no doubt that for smaller, more marginal companies business rates are one of the largest parts of their cost base, and they are levied whether or not those companies are making profits. We know that more than other businesses small businesses are prone to be hit proportionally hardest by Government decisions on business rates. One would have thought that that mattered to Ministers, but it did not. Given that they were deciding to put through massive business rate hikes in the teeth of a recession, one would have thought that Ministers might take the time to understand the impact of business rates on more marginal businesses, but they did not. They made no effort to understand how their decision to raise business rates would hurt communities, hurt businesses and cost jobs.

On the withdrawal of transitional relief, Ministers have known of the pressure of rates on many thousands of businesses since 2004. As I said earlier, in their own consultation paper they even identified the problem. The paper states that at the time, Ministers said that they had been warned that:

"There are some groups representing rate payers who expect significant rises in their rate bills and who are pressing for a five-year scheme".

Ministers ignored those concerns.

Businesses are therefore concerned about business rates rising at the end of transitional relief. Those concerns were raised even before the recession, but even when the situation has got worse and we are in a recession, it does not seem to occur to Ministers to reassess their approach. Who is penalised for the Government's incompetence? Small businesses, which are worst hit because of their size. That often means that they are far more vulnerable to a recession and, as I said, to Ministers raising business rates.

Many of those small businesses are local shops, and often parades of shops, which provide employment and support communities. They include the newsagent, the laundrette and the corner shop. They are all fighting to stay in business and they are put under more pressure by Government decisions to hike up business rates. Surely the harshest aspect of the withdrawal of transitional relief was its impact on businesses that had played their role in regenerating their communities. They were doing exactly what the Government asked of them. They took risks and set up their businesses in areas that desperately needed better facilities and shops.

Mr. Raynsford: The hon. Lady clearly believes that the root of the problem is the Government. Given that she and her party seem to be espousing localist principles, will she now declare whether or not she will return decision making on business rates to local authorities and give them the discretion to set the rate?

Justine Greening: I am pleased that the right hon Gentleman is giving me the opportunity to make sur that the House is aware of our policy of letting council that can raise business rate take over the next few year keep that increase. That is how we can incentivise loca communities and local authorities. *[Interruption.]* Th right hon. Gentleman says that that is not the question He asked me what we can do to make sure there is mor local impact on business rates and more incentive fo local councils. *[Interruption.]* If he would let me finish—

Madam Deputy Speaker: Order. The hon. Lady i responding to an intervention.

Justine Greening: Thank you, Madam Deputy Speaker It is hard to explain to Government Members whe they constantly shout. Had the right hon. Member fo Greenwich and Woolwich (Mr. Raynsford) not shouted I would already have been able to tell him that our othe proposal is that we should give local authorities th chance to levy a business rate discount. I hope he will b happy with that, and perhaps intervene again t congratulate my party on what will no doubt be a excellent policy.

Christopher Fraser (South-West Norfolk) (Con): I am sure my hon. Friend agrees that small business an enterprise was the backbone of our economic success a a nation in the 1980s and 1990s, and will continue to b so in this new century. The fact remains that businesses not Government, create jobs. It is the job of a Governmen to create the environment in which business can thrive This Government have singularly failed to recognise th needs of businesses in the economy when the chips ar down.

Justine Greening: My hon. Friend is right. The backbon of our economy has been our small businesses. We hav been described as a nation of shopkeepers. There is reason for that: our economy has been based on, an has thrived on, small businesses. Many of those businesse provide vital services to the community. A little anecdote which Members may laugh at, says it all. I was at a meeting with some of my elderly constituents. One lad mentioned that a laundrette had shut down. She live on the 14th floor of a tower block and did not hav room for a washer in her flat. She would now have t take two buses to get to the laundrette.

Those are vital facilities for people. When I spoke t the owner of my laundrette on Dunsbury avenue i Rochampton, he told me his business rates would b more than his takings every month. That is what th Government are doing to businesses. It is untenable t say that we cannot reconsider business rates because th legislation and the regulations are already in place.

Rob Marris (Wolverhampton, South-West) (Lab): Wil the hon. Lady give way?

Justine Greening: I shall make some more progress. I want to make sure that others have a chance to contribut to the debate.

I was speaking about a group of businesses that hav been badly hit, a subject that I hope matters to all hon Members. Those businesses have gone into areas and tried to help them regenerate by setting up there and encouraging other businesses to do the same. They have done exactly what we all want them to do, which is to get in and provide jobs and facilities in areas that do not

have them. Many of those companies have been successful and other shops have opened. What has been their reward? Their rateable value has gone up so they have lost their reliefs, especially in London, as we have heard from the Federation of Small Businesses. What has then happened to them? They face eye-watering business rate hikes.

I am sure we can all quote examples. Here are a few from my London borough, Wandsworth. Shops on the Old York road in central Wandsworth have had massive hikes. The newsagent Masumin's business rates last year were £260 a month. This year they have shot up to £1,006 a month. The motorcycle business just down the road saw bills rise from £280 a month to £914 a month. The florist's business rate bills went up from £477 a month to £715 a month. The Northcote road, another well-known Wandsworth community built around its shopping areas, is full of independent stores such as the Bolingbroke bookshop. Its rates have gone up from £570 a month to £875 a month.

It is as if Ministers were looking for a way to hurt regenerating areas most. Surely these are the businesses creating jobs and providing facilities in areas that need them. We should be applauding and supporting them, but not this Government and not these Ministers.

Ministers seem to have had an awareness bypass when it comes to helping companies, especially the smallest and most vulnerable, to survive the recession. We have had the withdrawal of transitional relief, the lumping of inflation-busting rises on businesses and no assessment of how either will affect businesses and jobs throughout Britain. It took a chorus of voices, from the Opposition, the Federation of Small Businesses and local authorities, to puncture Ministers' obliviousness to what was going on.

That is why my hon. Friend the Member for Mid-Worcestershire (Peter Luff) introduced his private Member's Bill in March—to give the existing 50 per cent. rate relief for the smallest, most vulnerable companies automatically. Currently, they have to fill in a form to claim it, but only about half of eligible businesses do so and local authorities have to put resources into processing their request and doing outreach work to business communities to improve the take-up of the relief. We supported that Bill, along with the Federation of Small Businesses and many local authorities, which knew that they would save administration costs and be able to put them into helping businesses to develop. When it came to the debate, however, the Government opposed the Bill.

Rob Marris: I am grateful to the hon. Lady for her generosity in giving way, but her tone of wounded outrage lacks credibility, given that her party's policy is to remove £3.7 billion a year of relief on capital allowances for business. That is a huge take, and it would adversely affect, for example, laundromats trying to replace their washing machines.

Justine Greening: We do not need to take any lectures on supporting small businesses from a Government who upped their corporation tax rate and had to be almost shamed into deferring—only deferring, mind you—the final 1 per cent. of a 3 per cent. rise on small businesses' corporation tax. I am sorry if I do not sound very sympathetic to the hon. Gentleman's point, but to make a party political point when I have just talked about the problems and the business rates rises facing small businesses throughout Britain is really beyond the pale.

Rob Marris: Will the hon. Lady give way?

Justine Greening: No, I am not going to give way. We have had enough from the hon. Gentleman tonight.

In the Chamber, we all had a chance to support the private Member's Bill from my hon. Friend the Member for Mid-Worcestershire, but that chance was thrown away by the then Under-Secretary of State for Communities and Local Government, the right hon. Member for Tooting (Mr. Khan). In explaining why he would not support the Bill, he said that

> "we are not in a position to be certain that this choice"—

the private Member's Bill—

> "would deliver the highest and/or fastest benefit to small businesses from the package of wider options on the business rate." —[*Official Report*, 6 March 2009; Vol. 488, c. 1145.]

That was after all that time—all those months and almost a year after the recession began. The Government could have headed off the problem months ago. Ministers threw out that option, and instead the Chancellor finally announced the business rate deferral scheme to help businesses on 31 March—the week after local authorities had issued new annual business rate bills to companies throughout the country.

Peter Luff (Mid-Worcestershire) (Con): My hon. Friend is making a very fine speech and I am sorry to interrupt, but she gives me the chance to give notice to the Minister for Regional Economic Development and co-ordinate that I intend to press her on that point. I withdrew my Bill in the face of Government opposition because of clear assurances that they would take on significant elements of it, at least. That has not happened, and I am very disappointed.

Justine Greening: I could not agree more. We all hoped that the Budget would contain some genuine measures to help businesses immediately, and the fact that it did not, in spite of the assurances that the Minister provided on the day, was very disappointing—more so for businesses than for MPs.

Ministers were clear about the objective of the business rate deferral scheme. In their press release, they said:

> "The Government announced today…that it will bring forward regulations to enable businesses to defer payment of 60 per cent. of the increase in their 2009-10 business rate bills until 2010-11 and 2011-12."

However, that scheme is already unravelling, because one thing that we can assess is that the promise to be able to defer 60 per cent. of the rise in business rates—Ministers' key claim—is not likely to be kept. Until the scheme is operational, businesses have to pay the full rise, and those that have already forfeited the right to pay in instalments cannot take part in the scheme at all. Businesses that have already struggled most with paying the higher rates and need most help to improve cash flow will have no access to the scheme. The logic is completely flawed. We do not know how things stand for businesses that are already subject to recovery action; perhaps the Minister can tell us whether those businesses will be eligible to participate in the scheme.

As I am sure Members are aware, business rates are paid in 10 instalments, so businesses will have already paid 40 per cent. of their rise by July's payment this year, but Ministers have admitted in answers to my

[Justine Greening]

parliamentary questions that their regulations will not even be in place until the end of July. So, how long after that will it take local authorities to issue business rate bills with deferred rises? The local authority representatives to whom I have spoken tell me that it is unlikely that they will be able to go through that process in anything less than five to six weeks, and that is the most optimistic timetable. They need time to write to businesses; businesses need time to decide what to do, to get financial advice, to fill in the relevant form and send it back to the local authority; and local authority and billing agencies need time to change the details on their billing system and then to reissue their bills.

By the time all that has taken place, we will almost certainly have passed the August payment date, so businesses will have already paid 50 per cent. of the rise and there will be no 60 per cent. left to defer. All that work, which we expect local authorities to do at the last minute, will take place in August, when most people are on annual leave. Again, the Minister might like to confirm our presumption that, as businesses gradually get around to claiming their deferrals, local authorities will end up with different businesses deferring different proportions, which will in turn lead to real complexity in billing, because the situation will depend on how quickly the business fills in the form and has it processed. Some will be able to claim 50 per cent. deferral, some 40 per cent., some 30 per cent. and so on. Ministers have met local authority representatives, so they must know that.

Will Ministers therefore today finally say that they will bring forward their business rate deferral scheme regulations faster, so that they can really deliver on their 60 per cent. deferral promise? Will they promise all businesses that they will be able to defer 60 per cent. of their business rate rise? Even now, more than two months after the scheme was announced, we have very few details of how Ministers expect their scheme to work.

For example, rebilling by local authorities for a second time will cost millions of pounds of taxpayers' money, but Ministers say that they do not know how much taxpayers' money will be spent on it. On 1 June, in a parliamentary question, I asked what I thought was a pretty straightforward question of the then Secretary of State for Communities and Local Government. I asked what estimate her Department had made of the cost to central Government and to local authorities in implementing the business rate deferral scheme, but I did not get a straightforward answer. I got a load of gobbledegook, telling me that I would have to wait until the impact statement had been prepared and the regulations laid, and that I would then get to see the impact statement. It did not answer the question at all.

Rob Marris: That was not gobbledegook.

Justine Greening: It was gobbledegook, because on 8 June I then asked whether any provision had been made in the 2009-10 departmental budget, as outlined in the Red Book, to fund local authorities' administration of the scheme, and I was given a completely different answer about whether an estimate had been made of costs. In that case, the answer was:

"The figures cited...setting out the Departmental Expenditure Limits for Communities and Local Government cover costs associated with implementing deferral of business rate payments."—[*Official Report*, 8 June 2009; Vol. 493, c. 755W.]

Which answer is the right one? Is there an estimate or not? Why cannot the Government be transparent for once? If there is an estimate, why cannot Ministers just be open about it—whatever the cost? If it is in the region of what it cost local authorities to administer the last-minute requirement—another one by Ministers—to put efficiency savings information on council tax bills, it will be about £4 million to £5 million. Surely, that money would be better spent on supporting businesses directly. Instead, it will be spent on dealing with another Government cock-up that undermines businesses throughout Britain. What about the liability of businesses that defer rises and then go out of business or move to a different location? Will they still be liable for payment of the deferred rise? I shall be interested to hear whether Ministers have reached a conclusion on that one.

Above all, will Ministers admit that the initiative was really a last-minute decision made to give the impression of doing something and that, in reality, it has achieved nothing of substance months later? Will they admit that they had no consultation with the business community or local government until after the initiative was announced? Ultimately, the scheme is too little, too late. It will not help the worst affected businesses and it is still not in place. On what basis can Ministers possibly think that the business rate deferral scheme is a better option than the Bill introduced by my hon. Friend the Member for Mid-Worcestershire?

All that is bad enough, but businesses that thought that some of the rises suffered this year were crippling should know that Ministers have even more lined up for them next year. The 2010 revaluation will be based on rateable values in April 2008—the very time when values were at their peak. Given the bust that we are now in, do Ministers really think that taking rateable values from the peak of the boom will lead to a sensible, fair conclusion on business rates? Do they still plan to go ahead with the revaluation? It is costing the Valuation Office Agency alone £51 million. Ministers may not have done an impact assessment for ending transitional relief, but have they made any assessment of where the worst 2010 revaluation rises will hit businesses and by how much? Alternatively, will we see another rerun of the dangerous shambles that we have had this year, with the transitional relief and the inflation-busting business rates rise?

Mr. Betts: Surely the hon. Lady recognises that, at the end of the day, the effect of the revaluation is neutral. It is simply a matter of distributing the total business rate to be collected between the various properties. The fact that the revaluation was carried out during an economic boom will not lead to more money being collected in rates.

Justine Greening: Try telling that to some of the businesses that end up paying more. The hon. Gentleman seems to be living in a dream world. He should go and talk to some of the businesses across London that face huge rises. Ministers have to be careful. He may think that the revaluation should take place, but he surely agrees that that has to be done on the basis of knowledge of how it will impact on businesses. He is right to say

that the revaluation is not intended to raise business rates, but if it is badly implemented, with no understanding of how it will work in practice, the danger is that it could do just that. It could put companies out of business, and then they will not pay business rates at all. Dare I say it, but Labour Members are showing their lack of knowledge about how business rates actually work.

Julia Goldsworthy (Falmouth and Camborne) (LD): Some information might help the hon. Lady as she makes her argument. I am not sure whether she is taking the same approach as she does to council tax—that is, to say that the system is rubbish, but it should be based on a series of valuations that are decades out of date. According to the information provided to businesses, they will be sent draft rateable values in October. Does she not feel that that will give them the opportunity to make representations and understand perfectly the impact that the revaluation will have? Difficult though the issue may be, it is a fair way of going forward.

Justine Greening: I take the hon. Lady's point on board. My question is not to businesses; I have no doubt that they will make their representations. I am asking Ministers whether they will do the work beforehand and understand whether the proposal is good or bad. All the evidence from transitional relief is that no work will be done to understand the impact on businesses. Ministers will simply say, "Here's your new rateable value—do you like it or not?" Lo and behold, companies seeing a benefit from the revaluation will say that it is fine and the many companies with an increase will have real concerns. I presume that they will all be ignored once again.

I could have spent time on the retrospective ports tax, but we will have time in the House later this week to discuss that. That tax has put our nation's ports and many businesses involved with the car industry under pressure. Yet Ministers are pushing on, with their heads in the sand. The inflation-busting rises, the early withdrawal of transitional relief, the pressing ahead with a 2010 revaluation that will raise bills further for many businesses and the carrying on with a retrospective port tax that puts more pressure on the car industry and our ports businesses are all happening because Ministers have been asleep on the job, oblivious to how their business rate hike would kill businesses.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Will the hon. Lady give way?

Justine Greening: I will not.

The now-departed Secretary of State was, to use a phrase, too busy rocking the boat and deciding how to knife her incompetent Prime Minister. She is off the playing field now, but has since admitted that she could not even get that decision right. Businesses all over Britain are going bust every day and thousands of people are losing their jobs, but the right hon. Lady disgracefully and perversely prioritised her own political interest above her vital Government role on business rates.

In conclusion, many businesses are fighting for their lives, yet the Government have sleepwalked into a business rates fiasco that has tipped many businesses over the edge into insolvency. I am thinking of family-run businesses, often built up over years, whose failure has a catastrophic effect on household income and worklessness. They are all paying the price for the Government's utter incompetence and inward-looking myopia on business rates. The Government have turned their back on businesses' cry for help, but we will not. Businesses may not have a vote, but if they did, they would surely vote to consign to history the Government and their shambolic attitude towards small businesses.

8.16 pm

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"notes that the Government is providing real help to businesses, with targeted support through the £20 billion working capital scheme, the Enterprise Finance Guarantee Scheme making available £1.3 billion of Government-guaranteed lending, an aim to pay Government suppliers within 10 days, a cut in the main rate of value added tax to 15 per cent., a deferral in the increase in the small companies' rate of corporation tax, free business health checks, over £100 million towards debt advice, the HM Revenue and Customs Business Payment Support Service benefiting over 100,000 firms by spreading a total of £2.5 billion of tax payments, and the extended rate relief for empty properties; recognises the Government's commitment to the annual Retail Price Index cap means there has been no real terms increase in business rates since 1990; welcomes the Small Business Rate Relief scheme providing £260 million of support in 2007-08; supports the fairness achieved by revaluing properties every five years with transitional arrangements to phase in significant changes in rates bills; welcomes the deferral scheme enabling payment of 2009-10 rates increases to be spread over three years to be brought into force by regulations in July; further notes the Local Authority Business Growth Incentive Scheme has provided funding of almost £1 billion since 2005-06; welcomes support for businesses, including in ports, receiving unexpected and significant backdated rates bills by the introduction of an unprecedented eight years to pay; and believes these measures provide certainty, fairness and appropriate relief for businesses."

I ask the House to support the Government amendment, because the Opposition motion and the speech made by the hon. Member for Putney (Justine Greening) show scant regard for the facts of how the business rates system operates and breathtaking ignorance of the actions that we are taking to help small businesses—actions that, on many occasions, the Conservative party has opposed.

The Government are taking real action to help businesses through the current economic downturn—often, as I send in the teeth of Conservative opposition. The Government have recognised the effect that the downturn can have on small and medium-sized businesses, as well as on large businesses. We are taking action at international, national, regional and local levels. The Government have put in place a mechanism through which businesses can defer tax payments. We have introduced the enterprise finance guarantee and additional funding for SMEs through the European Investment Bank, and are providing support for small businesses during the economic downturn.

We continue to take measures. For example, in the Local Democracy, Economic Development and Construction Bill, which is being discussed in Committee, we are considering giving local authorities specific powers to help local businesses in the economic downturn. Every clause, however, has been opposed by the Conservative party, as my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) will acknowledge.

Mr. Brian Binley (Northampton, South) (Con): The Government raised great expectations for small businesses through all the schemes that they broadcast left, right and centre, but they forgot to manage the process itself. In so doing, they did not provide the support in the sort of time required by small businesses. Many such businesses went to the wall because the Government did not understand management. Does the Minister recognise that fact?

Ms Winterton: I am surprised that the hon. Gentleman says that, particularly when so much of what we have tried to achieve has been opposed by Conservative Members.

Let me give some facts. Her Majesty's Revenue and Customs has agreed with 100,000 businesses the deferral of more than £2.5 billion in business taxes. The enterprise finance guarantee has provided an initial £1.3 billion of bank lending to SMEs. So far, 26 lenders, representing 90 per cent. of SME lending, are signed up. Eligible applications from more than 3,600 small businesses, totalling more than £400 million, have been assessed, are being processed or have been granted. That does not seem to be an indication of a lack of action, as opposed to the do-nothing attitude of the Conservatives.

Christopher Fraser: The right hon. Lady talks about help for businesses. Will she, through her Department, give a breakdown, constituency by constituency, of how many businesses have benefited from any or all of the schemes to which she refers? I cannot see where that help is coming from, and nor can companies in my constituency. We need the reassurance of seeing the statistics that she has given broken down by every constituency, so that we can go back to our constituents and tell them where the money is coming from.

Ms Winterton: I would be extremely surprised if businesses in the hon. Gentleman's constituency did not have, for example, access to free business health checks or the ability to apply for many of the schemes that I have outlined. However, I am more than happy to take away his request and to come back to him with information about the schemes that are available, which will be helped by local authorities or the regional development agencies. In so far as I can, I will also look to get specific information about businesses themselves.

Christopher Fraser: The Minister has given us some figures about what is happening. In a genuine bid to be helpful, I again ask her to break those down for all of us, constituency by constituency, and to give information, which I cannot get, on the companies that have actually received benefits from the schemes that she has mentioned.

Ms Winterton: The hon. Gentleman needs to bear one or two things in mind when he makes that sort of request. We would not always give the individual names of companies, because they do not necessarily want that information published, but we can look at the statistics in terms of numbers of companies. As for going right down to individual companies, I will see whether that is possible, probably working through the regional development agency. I do not know whether it will be possible for every constituency, but I will certainly take away his request and write to him about it.

Bob Spink (Castle Point) (Ind): I am grateful to the Government for their recognition of the importance of SMEs. Can the Minister please find a way to ensure that the 2010 revaluation will shift the burden of business rates away from small businesses on our high streets and trading estates and towards much larger businesses, for which business rates are a much smaller proportion of turnover, and often profits?

Ms Winterton: I assure the hon. Gentleman that I will address some of those issues later in my remarks. I think that he needs to separate out the process of revaluation and some of the different types of reliefs that can be made available to small businesses, but I hope that all will become clear as I move through my speech.

Mr. Brooks Newmark (Braintree) (Con): The Minister was kind enough to offer—I am not sure whether it was just for the constituency of my hon. Friend the Member for South-West Norfolk (Christopher Fraser) or on a constituency-by-constituency basis—as much information as possible about how many businesses, not necessarily which businesses, have been helped. Rather than just writing to my hon. Friend, could she put that information in the Library so that it is available to all Members?

Ms Winterton: As I said, I am more than happy to take away requests that have been made for that information, because it is important that we are able to show the help that has been available. Perhaps Conservative Members would like to make a guesstimate of how many businesses would have been helped by opposing all the measures that we tried to take. It would be interesting to see whether they were content to admit that if one says that one is going to do nothing, that is what happens to businesses.

I think that the current business rates system is a fair way of ensuring that the burden of tax is fairly distributed across all businesses. As several of my right hon. and hon. Friends have said, before 1990, rates were set and collected locally. The problem that was seen with that approach was that many businesses felt that they had little or no certainty over their business rate bills: they complained that they might be paying different rates in different areas, and that they might be told of their liability only a few days before the start of the financial year. The system that came into effect in 1990, which was enshrined in legislation introduced in 1988 by the previous Administration, changed the way that business rates were collected, bringing greater certainty, not least because businesses know that between revaluations the multiplier will not change by more than inflation. Many of the issues that we are debating are an integral part of that system.

In 1990, we saw the first business rates revaluation of property since 1973. Before that time, values had become hopelessly out of date; that is why the new system requires revaluations every five years. The point of that, for a business, is that rateable values and therefore rates bills are based on up-to-date information, so the yield from the rates is spread fairly across different ratepayers.

Mrs. Theresa Villiers (Chipping Barnet) (Con): The Minister is speaking at great length about how she thinks that the re-rating system is a fair one. Does she think it is fair that so many businesses in ports have been landed with a huge retrospective rates bill because of Government incompetence?

Ms Winterton: I come later to the fact that we have listened to what representatives of the ports have said. My predecessor, my right hon. Friend the Member for Wentworth (John Healey), listened to what was said about the liability and changed the system so that the payment back is now spread over something like eight years. I do not know whether the hon. Lady is committing her party's Front Benchers to completely abolishing any responsibility for liability, and I do not know how that would be paid for, but I shall come to the changes that we have made.

On top of what happened in 1990, since 1997 we have introduced measures to improve the system further, including the small business rate relief scheme, which provided more than £260 million a year of help by 2007-08. There has been some mandatory relief, particularly for community amateur sports clubs, and the business rates deferral scheme will allow 1.6 million businesses to defer liabilities totalling about £600 million this year.

Mrs. Ellman: I acknowledge that the Government have tried to address the major problem imposed on businesses in ports because of the retrospective, backdated rates, but does my right hon. Friend agree that that is still a major problem for those businesses? Will she agree to re-examine that important matter?

Ms Winterton: I will come later to some of the facts about how businesses are settling their liabilities and the evidence that we have so far.

Mr. David Lidington (Aylesbury) (Con): May I press the right hon. Lady a little more on the deferral scheme? Surely, as my hon. Friend the Member for Putney (Justine Greening) pointed out, as the Government's amendment mentions the introduction of the implementing regulations only this July, the reality is that small businesses will be able to defer less even than the 60 per cent. of business rates that the Government have been talking about.

Ms Winterton: I will come in due course to the details that the hon. Gentleman refers to. He is leaping ahead of me.

I return to the comments that have been made about the current system, which, as I have said, was introduced by the previous Administration. It was subject to a thorough review by Sir Michael Lyons, which reported in March 2007. Sir Michael concluded that business rates were a

"successful and stable property tax".

He felt that there was no case for changing the retail prices index cap on annual charges in the national rate of tax.

It is widely accepted—except, it appears, by Opposition Front Benchers—that the business rates system that the Conservative party introduced is an effective, fair form of taxation, and I have to say that it has been improved by the Labour Government since 1997. If the hon. Member for Putney and the Opposition believe that the system needs changing, it is important for them to explain not only the proposed structure but how any changes would be made. I remind the House that the current system raises £20 billion a year, which goes towards services from which businesses benefit at local government level. If the system is to be done away with, it would be interesting to know the costings for the suggested changes.

Julia Goldsworthy: Does the Minister think that it might be worth considering the inflation measures that the Government use? They have a whole series of measures of inflation, and in this case we had spot inflation in September, which is what has caused the difficulty.

Ms Winterton: As the hon. Lady will know, there are different methods of calculating what the increases will be in pensions and other areas. As she knows, under existing legislation business rates are adjusted every April in line with the retail prices index for the previous September, but I should point out that in the Budget the Chancellor forecast that RPI inflation would fall to minus 3 per cent. by September 2009. The impact of uprating if RPI is negative will obviously be to reduce total business rates in cash terms in 2010-11.

We must understand all the implications of linking to RPI. However, that is the point at which we can consider action that Government could take—as we did—in recognition of the spike in inflation that occurred in September. That is exactly why we introduced the deferral scheme, which will allow business rate payers in England to defer around £600 million for 1.6 million properties and around 3 per cent. of the 5 per cent. increase in 2010-11 and 2011-12.

The Opposition also referred to the plans for the 2010 business rates revaluation. As I said earlier, regular revaluations are an important part of the ratings system because they maintain fairness between all taxpayers. Rental values provide the basis of rateable value, so revaluation ensures that each business contributes, based on up-to-date information. The current rating list dates from 1 April 2005, based on the property market at 1 April 2003. The next revaluation will take place from April 2010, based on rental values at 1 April 2008. However, although the property market has changed since 1 April 2008, the important protection for business is that the revaluation is not intended to raise extra revenue because the overall national multiplier is set to ensure that the average business rate stays the same, allowing change only for inflation. I think that the hon. Member for North Cornwall (Dan Rogerson), whose attention I am trying to get—he is ignoring me; okay, fine—asked about that.

Some rate bills rise and some fall after revaluation, but the average national bill changes only with the rate of inflation. That is how the revaluation would work.

Mrs. Caroline Spelman (Meriden) (Con): It is kind of the Minister to allow me to intervene. Does she understand that the Valuation Office Agency legislation in 1998 led to desktop revaluations? The hon. Member for Liverpool, Riverside (Mrs. Ellman) made a good point. One of the major problems underlying retrospective revaluation for ports is that it is a desktop revaluation and, although all the ports have been encouraged to appeal, it will cause untold damage to business because that revaluation process is theoretical. When revaluation took place in Wales—a pilot that was not followed through—it was not budget neutral and more revaluation led to more people having their tax increased than those benefiting from a reduction.

Ms Winterton: I will deal with revaluation and its effects on ports shortly.

Mr. Chris Mullin (Sunderland, South) (Lab): I know that my right hon. Friend has been in her post for only a few days—

Ms Winterton: Does it show?

Mr. Mullin: No, not at all. Has she had an opportunity to assess the impact of the empty properties rate on businesses? Several companies in Sunderland face ruin as a result of it. I know that the Government have introduced a concession for properties with rateable values of less than £15,000. However, for example, two business men came to my office last week who employ 80 people and have just been faced with a bill of £130,000 on a property that is empty and unlettable. The business has been running for 50 years and they will have to close it unless some way can be found around the problem.

Ms Winterton: I can assure my hon. Friend that I will come to the issue of empty property rates.

To return to the new valuations—this also picks up on the point that the hon. Member for North Cornwall made—they were completed at the beginning of this month. We are looking at the results, and I hope to be able to say a little more in the next few weeks. However, we can expect those sectors and locations that have done well in recent years to see increases in bills, whereas those that have not fared as well are likely to see reductions. That addresses some of the points that the hon. Gentleman made.

All the rateable values will be published at the end of September. At the same time, we will provide a business rates calculator to help ratepayers estimate their rates bills for 2010. That is something that we introduced in 2005, and it has been helpful to businesses that wish to plan ahead. Under the previous system—this relates to my earlier point—there was a problem, because people did not know what their rates were likely to be, sometimes until the last few weeks of the financial year. However, the excellent business rates calculator will help people to plan ahead. We introduced it because we know how important it is for businesses to be able to plan ahead.

We will make even more improvements to the business rates calculator, so that by October business rate payers will be able to estimate their 2010 rates by using their 2010 rateable values. In addition, for those ratepayers who face increases in the 2010 revaluation, we will introduce transitional arrangements to phase in those increases. Again, although not resiling from the system that was introduced, we are looking at ways of helping people where specific problems have arisen, first, from the 5 per cent. increase and, secondly, from some of the revaluations, and as I have said, we will consult on those.

At the last revaluation, in 2005, we introduced a transitional arrangement scheme, which lasted for the first four years of the five-year rating list. The idea was to ensure that all ratepayers paid their normal rates bills for at least one year of the rating list. Those ratepayers affected will have had four years to plan for their 2009-10 rates bills. The hon. Member for Putney said that the Government had ignored the responses to the 2004 consultation paper. There were 66 responses, and although nine favoured a five-year scheme, 44 favoured a four-year scheme ending on 1 April 2009, so we did listen to the responses in 2004. We also listened, again, to businesses when they faced increases, and that is why we introduced the deferral scheme. With respect to the ending of the transitional relief scheme, we listened to people, and that is why we introduced the transitional relief scheme for the increases for 2005 to 2009.

With respect to the laying of regulations for the business rates deferral scheme, I can assure the House that we are working on introducing the necessary legislation for the scheme by the end of July, as we explained on 31 March, when it was first announced. Those regulations will cover the deferral of the 5 per cent. retail prices index increase and the deferral of increases faced by those businesses losing transitional relief from 1 April 2009.

My hon. Friend the Member for Sunderland, South (Mr. Mullin) and others have raised the question of empty property reliefs. I am sure that hon. Members will recognise that, previously, landlords had no incentive to find tenants for their empty properties. As a result, rents in UK cities ended up being higher than they might otherwise have been. That is why we removed many of the exemptions and reliefs for empty properties. To reintroduce such a relief would cost as much £950 million a year, which would have to be found from other areas of taxation or through public spending cuts.

Mr. Mullin: I do hope that my right hon. Friend will have a look at this, because this is a much more serious problem than the little note that she has just received from the Box makes out. The Pallion engineering company in my constituency is the last surviving shipyard on the Wear, and its rates are going up from £55,000 a year to £234,000. The Treasury will not get that £234,000, however, because that rates bill will put the company out of business, along with the 200 people who work there. I appreciate that my right hon. Friend has not had much time to get to grips with these issues, but I do hope that she will talk to her opposite numbers in the Treasury about the folly of what is happening.

Ms Winterton: We have tried to listen to the concerns that have been expressed by property owners. That is why, for 2010, all empty properties with rateable values of up to £15,000 will be exempt from rates. Of course I understand the concern that my hon. Friend has expressed, however, and I know that he tries to reflect in the House the concerns of businesses in his area.

Mike Penning (Hemel Hempstead) (Con): I thank the Minister for giving way; she has been exceptionally generous, and I am sure that the House will understand if her speech goes on a little longer because of all the interventions she has taken. The matter of empty property rates is a very serious one, especially for businesses that have no choice but to get out of their premises. In my constituency, for example, the Buncefield oil depot exploded in 2005, and some of the damaged buildings are still unsafe for people to go back to work in, yet the companies concerned are being charged the full rate for buildings that they cannot go back into. Surely that is a ludicrous anomaly in the legislation.

Ms Winterton: I think that I have addressed a number of issues on this subject. I shall briefly move on to talk about the small business rate relief scheme that was introduced in 2005. One of the issues relating to

automaticity is that, because a local authority does not necessarily know which businesses occupy multiple properties, the ratepayer is asked to apply to confirm that they meet the criteria for the relief. I know that my right hon. Friend the Minister for Housing was sympathetic to the points raised by the hon. Member for Mid-Worcestershire (Peter Luff), but, under his proposal, it would be difficult to avoid placing a considerable burden on local authorities, which would need to establish whether a ratepayer was occupying more than one property. However, we are looking into what more we can do to improve the take-up of small business rates relief and we have already taken steps to amend legislation for 2009-10, so that all eligible businesses in new properties can receive rate relief from their first date of occupation.

Peter Luff *rose—*

Ms Winterton: I am sure that that will not entirely satisfy the hon. Gentleman. I will give way to him, but I then want to make some progress.

Peter Luff: As John Cleese remarks in "Clockwise",

"I can take the despair. It's the hope I can't stand."

The Government keep on holding out a tantalising fraction of hope. I must tell the Minister that if she is looking for an excuse not to act, that is a pretty pathetic one. There are some very good and compelling reasons for taking action and there are perfectly practical solutions to all the objections raised by the Treasury. I urge the Minister to be utterly robust in her discussions with the Treasury. The time has come for this measure, and her Department—both her Departments—know it. She should not be cluttering us up with excuses, but looking for solutions.

Ms Winterton: Let me briefly address the issue of levying local—*[Interruption.]* Well, I think I have addressed the hon. Gentleman's points and the real issues around them. I do not see the point of repeating it all again. I have been pretty clear about where we believe the difficulties lie.

As regards councils having the power to levy local business rate discounts, I have said that we already have several rate relief schemes targeted at businesses, amounting to something in the region of £900 million in 2008-09. Further discounts—this is a point that the Opposition need to answer—would mean that the amount collected would be smaller, so we would have to ask local authorities to contribute more, which would have an effect on council tax payers.

This Government have a great track record in delivering funding and policies that will play a major part in regenerating our cities and supporting our local authorities to ensure regeneration and economic renewal. It is absolutely clear that we understand the impact of the business rates system on businesses and that, particularly because of the international credit crunch and economic slowdown, we are looking at the effects on people and businesses.

I shall very briefly touch on the issue of businesses in ports. As I have said, my right hon. and noble Friend the Secretary of State has already taken action. As to the allegation that the revaluation was somehow a desk-top exercise—it was made by the hon. Member for Meriden (Mrs. Spelman), who I see is not listening to a word I am saying, but there we are—it was, in fact, based on more than 300,000 actual rents collected by the Valuation Office Agency and analysed for the revaluation. I wanted to clarify that point.

Finally, it is the Government's package of measures—the introduction of the business rates deferral scheme, the small business rate relief scheme, a fairer revaluation scheme and so forth—combined with the real help offered to businesses through structured support at local, regional and national levels that will make the difference. In contrast, the Opposition offer nothing but ill-thought-out ideas and empty promises. That is why I urge the House to reject the Opposition motion and support the Government amendment.

8.53 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): I think that hon. Members of all parties would agree that we are living in unprecedented economic times and that many small businesses probably feel as if they are facing an onslaught from all sides. We have already heard that an accountancy firm has predicted that nearly 34,000 small businesses—120 a day—will close in 2009 and that difficulties paying their business rates may well be a factor for some of them. However, it may be that businesses have suffered from falling incomes, unaffordable rents, delayed payments from suppliers or trouble paying their tax liabilities. Their difficulties might be compounded by personal economic problems, too.

If Back Benchers get the opportunity to contribute to the debate—if I carry on for as long as the two previous speakers, we will move straight into the concluding speeches—I am sure we will hear about similar experiences from businesses all over the country. The motion at least provides us with an opportunity to raise constituency experiences.

I find it slightly odd that the Conservatives' motion is drafted so narrowly. It deals specifically with business rates, rather than with all the other issues that might interact to cause difficulty to businesses. What I also find rather bizarre is the similarity of the wording of this motion to that of a motion that was debated on a Conservative Opposition day on 25 March this year. That motion also referred to the above-inflation increases in the business rate, the ending of transitional rate relief, support for a move to automatic business rate relief, and the 2010 revaluation. It condemned the ending of empty property rate relief, and highlighted the issue of the ports.

I think that there can be only two reasons for that. It is possible that the Conservatives' current spokesperson was not in her post on the earlier occasion, and has either been doing her homework very assiduously or did not realise how similar this motion was to the earlier one. Alternatively, it may well be that the Conservatives have so little positive policy that they have to rotate it, so that it comes around every couple of months on their Opposition days.

This is clearly a significant issue, but it would be more helpful if Conservative policy had moved on since that debate at the end of March. That leads me to wonder whether the Conservatives considered the issue to be the main factor affecting businesses, or whether they simply have nothing to say about anything else. I am not entirely sure of the answer to that question. Judging by the last Opposition day debate that I sat through—on housing—I suggest that the Conservatives simply have nothing to say.

[Julia Goldsworthy]

What the Conservatives have to learn is that if they want to say with credibility that they can form the next Government, they cannot just oppose things; they must propose things as well. It is clear that the motion will not take the debate about local government finance any further forward. I think that, if anything, it will increase confusion rather than providing clarity. It is a critique of the Government's failure to address problems relating to business rates, but it also criticises measures that the Government have tried to take to address those problems.

For example, the Minister described the deferral scheme that the Government want to introduce. What the Government had not realised was that the problem had been caused by a double whammy: the very high increases in inflation combined with the end of the transitional scheme. I did not catch what the Conservatives said that they would do differently. They attacked the ending of empty property rate relief, but they did not say what they would do themselves.

Another issue was not raised. In some areas, the problem is not just that businesses are in accommodation that will be very expensive if the empty property rates continue. In my constituency, the problem is risk aversion. A massive regeneration scheme is taking place there, part of which involves new accommodation for businesses. What investors will take the risk if they think that a property will be left empty, and that that will cost them a huge amount?

What we also heard from the Conservatives was an interesting critique of how the port rating process had gone wrong. Again, however, we gained no clear sense of what they would have done differently, or of how they planned to put the wrongs right.

Christopher Fraser: In the four or five minutes for which the hon. Lady has been speaking, we have not heard a word about what the Liberal Democrats will do. May I ask her to address that point, so that we can at least have a proper debate?

Julia Goldsworthy: I fully intend to do so. However, we must debate the Conservative motion and the alternative presented by the Opposition. [Hon. Members: "The Government."] I mean the Government.

We have been debating the motion for about an hour or so, and I have been speaking for four minutes. I think the hon. Gentleman should give me a chance to get my points across.

What we did hear from Conservative Members was the new thinking about flexibility for councillors to reduce business rates and to allow areas to benefit from economic growth. That is similar to the approach that the Conservatives have taken to council tax. It is clear that very few of the Conservative-run councils that have come forward would benefit from their council tax freeze proposal. The fact is that, at a time of huge economic pressures, every council will find it incredibly difficult to deliver. If the Conservatives had real confidence in local authorities, they would give them the discretion to consult their businesses, and I am sure that, in some areas there would be a possibility of the improvements that businesses want.

Mr. Newmark: Will the hon. Lady give way?

Julia Goldsworthy: May I finish what I am saying?

Later we will discuss the business rate supplement scheme. The Conservatives have sought to prevent any local authority from participating in it. The Liberal Democrats have said that they are more than welcome to do so, provided that there is proper consultation with businesses and that businesses have a say in the improvements that they want to see. I am sure that many businesses would like to see reductions, but businesses must also be allowed to have the opportunity to support improvements. The Conservatives appear to be offering only a one-way street.

Mr. Newmark: Will the hon. Lady give way?

Julia Goldsworthy: No; instead I will try to make swift progress so as to give the hon. Gentleman a chance to make his own contribution.

We think that the automated business rate relief is a sensible idea, but it is not an entirely original idea because it has already been achieved in Wales. I was disappointed by the Government's justifications for not introducing it. The reality is that half of all eligible businesses do not claim the relief, and automating it will therefore make the whole process more efficient, not more costly.

Although there is, perhaps, consensus on this issue, I am not entirely sure what the hon. Member for Putney (Justine Greening) committed her party to. The Leader of the Opposition continually calls on people to vote for change, but the evidence at present suggests that it would be a vote merely to change the labels on the same tin. There is no radical rethink. If we really want to understand what is going on in this regard, the name of the party gives the game away: the fact that they are called the "Conservatives" means that they generally want to change things back to the way they were before—and therefore they do not want to revalue, nor to set business rates according to inflation, nor to change anything with regard to the way business rates work. We heard nothing about anything they would do differently. As I have said, their approach is intellectually incoherent. It is consistent only with the way they look at another aspect of local government finance: council tax. Their approach is that the system is broken and unaffordable, but the way to solve that is, apparently, not by revaluing, and we will therefore end up having a system of local taxation based on property values that are decades out of date. They should either say that the system of council tax is bust and that they will replace it with something else, or defend the council tax system and offer a revaluation. *[Interruption.]* The hon. Member for Putney asks from a sedentary position about my party's position. Our position is very clear. It involves changing the balance of funding so that more that is spent locally is raised locally. That will partly be achieved through localising business rates entirely and moving to a system of local taxation based on the ability to pay. We are very clear about that, and we are very happy to explain how we will achieve it. The Conservatives, however, have not said what they would do.

Mr. Betts: Will the hon. Lady give way?

Julia Goldsworthy: No: I wish to make progress as I am aware that there is very little time for Back Benchers to speak.

The Government's response to the Opposition motion is equally inadequate. The exchange this evening echoes one outside the Chamber in which the Conservatives and Labour are trying to blow chunks out of each other's spending plans. Instead of having a debate about what the level of future funding should be and what difficult decisions need to be taken, we have two parties arguing at cross-purposes. While the Conservative motion is so narrowly drawn as to be highly limiting, the Government response is merely to produce as long a list as possible of all the things they have done or have said they might do at some point in the future. What we did not hear from the Minister is whether these measures and pronouncements have been effective. That is unsurprising as, to put it charitably, the results have been patchy. They praise themselves for righting wrongs that were their responsibility in the first place. They also praise themselves for extending the relief for empty properties, but fail to point out that they did so only in response to extreme pressure, and that at the end of the day that is only deferring pain for another year. Moreover, in terms of their proposals to defer payment for some of this year's inflation-busting 5 per cent. increases in business rates, they have not acknowledged that the whole process of trying to address this is still causing pain for businesses, which are having to make those payments as we speak. The Government motion says that their behaviour has provided "certainty" and "fairness", but it is very difficult to see how either has been delivered.

The Government praise themselves for policy proposals that have had a limited impact. They say that they

"aim to pay Government suppliers within 10 days".

I am not entirely sure what that has to do with business rates, but their performance in that regard is patchy even within Government Departments. Whereas the Department for Communities and Local Government has managed to hit 88 per cent. of payments, the Home Office figure is just 50 per cent. They therefore have a lot to do to improve their own record.

The amendment praises the regional development agencies for being at the cutting edge of supporting businesses. Again, that is nothing to do with business rates, and the reality is far from what is claimed.

The Minister will know from our discussions in the Committee considering the Local Democracy, Economic Development and Construction Bill, that the South West of England development agency has unilaterally decided to cut more than £50 million of projects, which are in place to support and create jobs in the region, including in my constituency. The RDA has done that without any consultation, yet the Government's amendment contains praise for some of the activities that are going on.

Many have reported that they think that the benefits of the enterprise finance guarantee scheme and the working capital scheme have been limited. Nine out of 10 of more than 2,000 entrepreneurs and business owners surveyed stated that the Government are not supporting small and medium-sized enterprises sufficiently, and the majority of respondents were not even aware of the schemes that were designed to support them. More than half of all SMEs have never heard of any of the schemes, and eligibility, red tape and issues relating to efficiency are creating an insurmountable barrier for many, yet the Government's amendment has the audacity to claim that the VAT cut has helped people. Once again, instead of permanent solutions to make the tax system fairer and to support businesses, we are seeing a deferral of more pain later and billions of pounds being wasted on something that most businesses say has not benefited them or has actually cost them money.

If the Conservatives' approach is to say as little as possible, the Labour approach is to produce as long a list as possible, irrespective of how effective any of the measures have been on the ground. I wonder whether there is a parallel with the First Secretary of State, Baron Mandelson of Foy in the County of Herefordshire and Hartlepool in the County of Durham, in that the longer and grander his title and the more Ministers serving beneath him, the more effective he thinks he is. Such an approach has also been taken in this Government amendment but it fools nobody.

This argument at cross-purposes has missed the fundamental point: local authorities are already doing a huge amount on the ground to support businesses, they understand what the problems are and they are best placed to tackle them. I could cite examples of how local authorities have been examining their procurement of services and instead of just setting an arbitrary figure of 10 days in which to pay their bills, which probably would not be hit, as is the case with the Departments, they are trying to create a level playing field for contracts that allows consortiums of local businesses to get together to make their bids. It is that kind of thing that will make the real difference, not press releases.

More should be done to push down the budgets of regional development agencies to make decisions on spending more accountable, and we should be freeing up councils to reinvest in housing. These are all things that would help not only to tackle this country's affordable housing crisis, but to support the economy and jobs. Both the Conservatives and Labour have failed to realise that what is needed is not tinkering around the edges or a long list of initiatives; but a fundamental change in the relationship between central and local government, which is essential if people's confidence in those institutions is to be restored.

Lots of politicians have been keen to jump on this particular bandwagon and to make the connection between MPs' expenses and the need for constitutional reform, but people have not realised that if businesses' and individuals' trust in all levels of government is to be restored, there needs to be a clear statement of the terms of the relationship and work at the grass-roots level to rebuild that relationship. At the national level that might mean constitutional reform, but change needs to take place at the bottom too. That is not only about ensuring that there is proper participation and that decisions about how public money is spent are accountable, but about making a much clearer link between the local taxes that people and businesses pay and the services that they receive in return.

That link does not exist at the moment. On average, council tax funds about 25 per cent. of the services that are provided locally, and although business rates are collected locally they remain centrally distributed despite the fact that most businesses think their taxes are directly paying for the services that they receive locally. Both aspects of taxation need to be fundamentally changed to make the relationship clearer and to ensure that there is a much stronger link between what is raised and spent locally. As I have said, that means moving away from a

[Julia Goldsworthy]

regressive council tax system to one based on the ability to pay. Alongside that, business rates must also be localised. Only if those changes are taken together will that stronger link be made clear and will people be able to see what they are getting and how they are paying for it.

The last thing that is needed are the temporary measures that the Government have announced—deferring corporation tax increases, deferring empty property rates, deferring business rate increases and introducing temporary VAT cuts—which provide no certainty and will do nothing to give people confidence. Instead we need permanent changes to make the system fairer and clearer to everyone, individuals and businesses alike. But neither Labour nor the Conservatives are prepared to face up to that fact, let alone engage in the debate. That is the biggest disappointment of all.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Thirty minutes remain before the winding-up speeches and six hon. Members wish to contribute. I leave it to them to see how equitably they can share out that time between them.

9.10 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): When I saw that the Opposition had raised the question of business rates, I thought we would be having a thoroughgoing, wide-ranging debate on the principles behind business rates and how we might do better. Instead, we had a niggardly and rather empty proposal criticising various aspects of the mechanics of the current system. I was surprised that the party that is now supposed to believe in localism did not go for something a bit more radical.

I am also disappointed that the Minister for Regional Economic Development and Co-ordination, with whom I agree on most issues, was not prepared to be more radical. I agree that we need constitutional reform in this country, and one of the most important aspects of that is to improve the balance of power and responsibilities between central and local government. We need to ensure that there are more powers and responsibilities at local level, and I commend to the House the report recently produced by the Communities and Local Government Committee, on the balance of power between central and local government.

If we are to get the balance of power right and push out more responsibilities and powers locally, we have to ensure that we get the balance of funding right and give local councils more responsibility for raising the funding that pays for their services. I noticed that the words "local income tax" did not pass the lips of the hon. Member for Falmouth and Camborne (Julia Goldsworthy). I wonder whether there is a shift in policy coming from the Liberal Democrats. The easiest way to transfer more powers for raising money to local government would be to localise the business rate and put it back to where it was before the poll tax led to the changes.

Of course, the Government need sufficient resources so that they can equalise the situation, on the basis of resources and need, between councils with different abilities to raise money and differing needs. The estimate is that the Government need to control about 30 per cent. of the money spent at local level to do that, not the 75 per cent. of money that they control now. Transferring business rates would actually give local authorities the right to raise about 50 per cent. of their own resources directly, and that would be a significant change, which I would commend. I know that the Lyons report looked at that, but did not recommend it. The report did recommend the supplementary business rate, and the Government have introduced that in principle, although they have not gone as far as Lyons wanted. I know that the Government are also looking at measures such as the community infrastructure levy, which will provide some powers at local level to raise the additional resources for councils to spend.

There is a fundamental problem, however: not merely with the gearing of council services, because local authorities raise so little of the total money that they spend at local level—only a quarter—but with the disconnect between development, the costs that it brings and the extra resources that are provided for an area. This country differs from many others in the EU, such as Germany, which has a much bigger incentive to look positively at development because the benefits of the taxes generated by it come back to the community in which it takes place. That is a big issue that needs addressing.

My right hon. Friend dealt adequately with the other issues. Yes, 5 per cent. inflation looks like a large increase, but there is the possibility next year of a minus 3 per cent. figure for the retail prices index, which shows that the linkage is right. Over the years, businesses have had a good deal. Since the council tax was introduced, the amount that it contributes to local authority resources has risen from 21 to 26 per cent. At the same time, the amount contributed by the business rate has fallen from 28 to 20 per cent. Over the long term, council services, even with efficiency savings, are always likely to need more money spent on them year on year than RPI, because wages at local council level are likely to go up faster than RPI. If the business rate is held down at RPI, it is likely to contribute a smaller and smaller amount towards the payment of council services. That is why, over time, businesses have not done too badly.

Finally—

Sir Nicholas Winterton (Macclesfield) (Con): Will the hon. Gentleman give way?

Mr. Betts: I am sorry, but I have not got time to give way. I normally would, but I had only five minutes and have only one minute to go.

Revaluation is just another red herring. The hon. Member for Putney (Justine Greening) simply does not understand. Revaluation is not a way of raising in total additional money for Government or anyone else. It is simply a way of ensuring that, in light of current circumstances, the amount that is going to be raised is properly raised and spread between the various businesses in the country. That is all that it does. Once a Government fall behind with revaluation, postpone it and put it off, that simply means that the next time they do it, the dislocation is even greater. I have to say to the Government that that is exactly the problem that we now have with council tax revaluation. It has been postponed and postponed, and we have got ourselves in a real mess. The system of property tax will have credibility only

when it is based on current values, not on historical values that people simply do not understand.

I have tried to keep to the five-minute limit and to deal with some of the important points in this debate, but I think that the Opposition missed a big opportunity. Their commitment to localism is obviously very thin indeed.

9.15 pm

Mr. Brian Binley (Northampton, South) (Con): May I welcome the Minister for Regional Economic Development and Co-ordination to her position tonight? It is good to see her here. I was hoping that we might hear from her about a change of Government direction regarding the issue on which I want to spend my time this evening: automatic rate relief for small business. The Minister disappointed me enormously, but there is still time. She is new to the job and therefore prepared, I hope, to listen to argument. If so, I hope that by the end of this evening the Government will change their mind. Let us see.

The Minister will know that I was a sponsor of the Bill on this matter promoted by my hon. Friend the Member for Mid-Worcestershire (Peter Luff). Indeed, the Government seemed to support the main thrust of the Bill on Second Reading. We were very optimistic. The then Minister, the right hon. Member for Tooting (Mr. Khan), said that although he was not privy to what his

"right hon. Friend the Chancellor may put in the Budget report...I do know that robust consideration is being given to what is the best method of support for businesses, and the private Member's Bill of the hon. Member for Mid-Worcestershire has, no doubt, driven the matter even further up the agenda."

He went on to say that

"I must emphasise that we have not ruled this out as an option for the future...Clearly, Government should support the aims put forward today by the hon. Gentleman with the support of the FSB",

the Federation of Small Businesses. He concluded:

"Between them, they have come up with a proposal in which there may well be merit."—[*Official Report*, 6 March 2009; Vol. 488, c. 1144-45.]

Those were the remarks made by the then Minister in the last debate we had on this subject.

We had every reason to be hopeful that that Minister would therefore urge the Chancellor to put automatic payment of rate relief to small businesses in the Budget. We listened to the Budget with great dismay, and heard not a word—not a mention. After all those fine words, after all that encouragement and after all those intimations that the Government might well accept the Bill—on the basis of which my hon. Friend the Member for Mid-Worcestershire withdrew the Bill on Second Reading, and did not push it any further because he was so encouraged—sadly, they did not act. We found that very disappointing.

No provision was made in the Budget and no proposal has appeared since then. I do not need to go into the reasons why small businesses are in the plight that they are, other than to say that cash is king—I keep on saying that. Small businesses are fighting on every front to remain viable, and the payment of rates represents the third largest payment to a given area of budgetary control that small businesses have to pay out. That is the truth of the matter. They need the cash. How much cash? They need £1,200, but it would mean a great deal to the many hundreds of thousands of very small businesses up and down the country if that could be given automatically.

Why is not given automatically? Simply, it depends on how the local authority treats the issue. Businesses benefit when they are in local authorities that take an interest in the matter and advertise the availability of rate relief, but those elsewhere do not get the chance to claim. *[Interruption.]* I see the Minister turning up her rather pretty nose—I am sorry, Mr. Deputy Speaker, I hope that that was not too personal—so I shall give her some figures by way of explanation.

In Essex, only 27.1 per cent. of businesses in the Thurrock unitary authority claim small business rate relief, whereas the figure in Tendring district council is 72.7 per cent. That is a massive difference between councils that are very close geographically, and it is due to the fact that one makes an effort and the other does not. It is very simple: 52 per cent. of small businesses across the country do not claim the relief to which they would be entitled if they knew about it.

So why should the relief be given automatically? The Minister said that that did not happen because it was too difficult to put into effect—what nonsense! It has been put into effect in Wales with no problems whatsoever, and local authority treasurers have told me that they would rather the relief was a right than to have to get people to apply for it. With respect to the Minister, her response was nonsense.

I therefore urge the right hon. Lady—in the nicest possible way, as I was rather rude to her earlier—to look at the matter again. Making the relief automatic would save money for local authorities, and it could allow very small businesses still to be here this time next year. That is their objective.

9.21 pm

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): I suggest that there is probably a lot of support for what the hon. Member for Northampton, South (Mr. Binley) has just said and that making the relief automatic would help in several ways. However, time is brief and I want to put to Ministers a specific proposal for saving some money for small companies in the city of Coventry at this difficult time.

Coventry's Business Improvement District company has been referred to already today. It is full of good intentions, but unfortunately it has proved to be inadequate and delinquent in its duties. Electoral reform is much in the air at present, and all forms of voting are subject to review, so I put it to my right hon. Friend the Minister for Regional Economic Development and Co-ordination that she could have another look at the requisite level of approval from small companies that these BID projects need. The one in Coventry was passed with just 18 per cent. of the companies being taxed actually voting in favour, and that is a very low figure indeed.

A lot of false promises and representations were made by the BID company that have simply not been met—in respect of security and CCTV cameras, and of broadband, to which the Government and all businesses are very committed. The provision of broadband is running over a year late already, while the CCTV system—

[Mr. Geoffrey Robinson]

which was promised with back-up policemen and all that sort of thing—covers only a small percentage of the premises that are paying for it.

The local authority supports the BID project, but it has been mooted that some rebate would be in order. This is a terrible time for small companies in the city of Coventry, and the payments are still strongly resisted, as I shall describe in a moment. I put it to my right hon. Friend the Minister that both a rebate and a deferral could be used to gear the payments, and that that would be absolutely in order and very necessary.

The extra tax, of course, is levied on charities, but supermarkets and leisure centres are exempt. That makes no sense at all. The charities affected include the British Heart Foundation and Coventry's Ring and Ride project, both of which are being made to pay the tax. I think that the bailiffs are being sent in to the 140 companies that are unable to pay, so the full force and rigour of the law are being brought to bear for no better purpose that I can see than to expose the inadequacies of the BID company.

In addition, rates are being levied on small companies to fund CV One, which is a Coventry city council initiative—a very admirable initiative, I am sure—to boost the image of Coventry. In many respects, the city suffers from a relatively poor image, despite its many advantages. A select group of companies has been picked out for the privilege of paying £400,000 a year, when the whole of Coventry is meant to benefit from the initiative.

I ask my right hon. Friend the Minister and the Government please to get in touch with the BID company. I beg her to ask the company to answer my questions, which it refuses to do with an arrogance that one cannot believe. Please may we push through a deferral—that is very much at the heart of the Government's rates proposals—and a rebate to the companies in question?

9.25 pm

Mike Penning (Hemel Hempstead) (Con): I ask the new Minister for Regional Economic Development and Co-ordination to listen carefully to the points that I will make. In an intervention, I tried to raise a serious issue that has a massive effect on the business community in my constituency. It has to do with empty property rates, which have changed so that the exemption from them drops after six months. It is absolutely ludicrous, if not immoral, that businesses that have no choice—none at all—but to be outside their premises should be caught by the rates on empty properties. In my constituency, the main reason for that happening was the Buncefield disaster that took place in November 2005.

Lord Newton, who did the best that he could in the inquiry undertaken on behalf of the Government and the Health and Safety Executive, said in his conclusions that there needed to be a special economic status for places such as Hemel Hempstead, which was badly damaged by a disaster that was not its fault. Through no fault of their own, businesses were literally blown out of their premises. Some of the businesses have actually demolished their premises—levelled them off—so that no business rates are due. The sites are lying fallow. Nothing will be built on them until after the civil case before the High Court is heard, and until the criminal prosecution has taken place. I will not talk about that, because those matters are sub judice.

The premises of businesses that do not have the money, or whose insurance companies have not paid out, are sitting there, derelict. 3Com is a good example; its premises are in the middle of my constituency, right next to Buncefield, and they are completely derelict. The company is liable, believe it or not, for business rates. The disaster took place in 2005; we are now entering the summer of 2009 and it is not the companies' fault that they cannot return to their premises. It is not the fault of my local authority, which has done a fantastic job in helping businesses to get back into some of the premises. It is the fault of some of the insurance companies, which were, frankly, slow or belligerent in paying out. However, the biggest problem is that we still have two huge court cases going on—one for compensation, and one a criminal prosecution. The businesses are stuck; they are in limbo; they cannot move back into their premises.

Obviously, some businesses are paying business rates, rent, and mortgages on new properties. The insurance companies have helped out with the new capital costs, but the businesses are liable to pay business rates on premises that are derelict, and they cannot move back into them. Some of them are not willing to move back into their premises simply because they have a duty of care to their employees, and they are not happy about moving back in until the Government have made decisions about the safety of premises that surround oil depots such as Buncefield—the recommendations are yet to be made—and until the two court cases are concluded.

Surely, in such a debate, the Minister could have said, when I intervened, that it was difficult to answer my question straight from the Dispatch Box. Instead of ignoring my intervention, she should have done me the courtesy of saying, "I will write to you about the matter; it is a very specific issue." Instead, very unusually for the Minister—I have worked with her before—she completely ignored my intervention, which was on an issue that means a huge amount to my community and for business confidence in my constituency. Our enormous plight cannot be ignored. There is a recession going on, and there is a blight on my local business park. That is not our fault; it was the fault of the oil companies, from whom we are trying to get compensation. In the meantime, I would have thought that a little help from the Government would not have gone amiss.

9.29 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): We are addressing a serious issue this evening—how businesses may get the best help possible through the recession, which has been sudden and in many instances relates to circumstances that changed rapidly last year. We should consider various types of help, a number of which have been mentioned. However, as hon. Members have pointed out, the Opposition chose to address not that wider issue, but the specific and narrow topic of business rates, which is one of the issues, but by no means the only aspect of support for businesses in a recession.

The motion, concentrating on the business rate, states that

"businesses have already been hit by five per cent. above inflation rises".

If one chooses to make the focus of the debate so specific, it is essential to have some answers to the questions that arise from such statements so that the debate can be taken seriously. If one says that businesses have been hit by above-inflation increases, one presumably has to say that it would be a much better idea if businesses were not hit by above-inflation increases, in which case one must presumably refer to the original legislation on business rates passed by the then Conservative Government, which stated that a retail prices index indicator should be put in place to determine business rate increases each year.

The question then arises whether the solution is to change or abolish that legislation. Should there be no increases in business rates, or smaller increases? Both of those would require the original legislation to be changed. If one goes for no increases, one must answer a further question. Each year that formula raises about £1.3 billion in business rates, which goes towards the local government pot, so to speak. If that element is removed, one has to decide how the pot is to be replenished. Will the general taxpayer have to pay an additional grant towards the local government settlement, or if no one is to pay, will there be a cut of £1.3 billion in local government spending? One ought to be straight about that, if that is what is proposed.

I have attempted to find some answers, and not just for the purposes of the debate. I listened carefully to the presentation from the hon. Member for Putney (Justine Greening), but I got no answers from that at all. Indeed, there was obfuscation about the proposals. I read an impressive-looking document entitled "Control shift—returning power to local communities", the Conservative policy on local government. It is a long document, 23 pages in 10-point type. In it there is not a word about business rate construction, how business rates might work in the future, whether the RPI formula would be adhered to or whether changes would be made to it.

There is not a word about revaluation or how it might be changed. Revaluation has taken place every five years since 1990 and each time transitional arrangements have been put in place. There is one line about discretionary power to levy business rate discounts, and the document states that that can be given to local authorities

"as long as they can fund them from other local income or avoided costs"—

that is, can they find the money from somewhere else, perhaps the council tax payer, or perhaps by cutting services? The document contains no answers.

If it is decided not to change the legislation, deferring business rate increases is a logical step to take. Next year's RPI is likely to be negative, and businesses that know that will be able to decide whether they wish to smooth the increase out over a couple of years, take a greater discount now and a lesser discount later on, or go for no discount now and therefore receive a substantial decrease in their business rates for the following year. Businesses will make that logical move if they have the answers to the basic questions. If one does not know what is happening to the basic nature of business rates, and one appears to be unaware that the increase arrangements and transitional arrangements are enshrined in legislation and if one is unaware that revaluation is the basis on which one redistributes—and not increases—the pot, businesses will say other things. That is essentially what has happened tonight.

There are real issues with the business rate, and I have concerns about port rates and empty property rates, too. I am very concerned about help for businesses in the recession, but an Opposition party that wishes to form the Government at some stage is misleading businesses and is not being straight with them if it purports to help businesses in the recession, but does not provide them with basic information about what it will do to stabilise their arrangements.

Tonight has been a shocking missed opportunity to discuss the real issues. Instead, some Members have discussed a number of peripheral issues that, although important, not only do not constitute the whole issue of how we help businesses but serve to obscure the true lack of substance in Conservative policies on local government.

9.37 pm

Mr. Brooks Newmark (Braintree) (Con): We have heard much about the challenges that many of us have seen in our surgeries when representatives of small business have chatted to us. I had a meeting with people from the Essex branch of the Federation of Small Businesses who told me about the challenges that their members face, with margins being squeezed, banks not supporting them and so on. They raised the issue of rates: rates seem to be rising above inflation, which brings challenges, and the organisation has expectations of how local councils can help its members.

There are three issues to do with local business rates. One that has been highlighted for me was the difficulty that small businesses have in paying them. The Local Government Association has warned that, as it is,

"More than half of all councils (56 per cent.) are reporting that firms in their areas are having difficulty paying business rates to local authorities".

It has also warned:

"Eight out of ten councils are reporting an increase, or anticipated increase, in businesses requiring support."

Businesses are being driven away. A business in Witham in my constituency is being charged £200,000. It can move its whole operation to China, and is doing so—with the loss of 100 jobs. With that £200,000, it can have the whole businesses run elsewhere. That is a great shame; our towns are being gutted and businesses are being driven to close down. Councillor Margaret Eaton, the chair of the Local Government Association, said:

"The recession is claiming around 85 small businesses every day and many need every single last bit of help and support to get through tough times. There are examples where businesses are going to see their rates bills double or even triple—this just isn't acceptable."

I totally agree.

What are the solutions? We heard one today from my hon. Friend the Member for Mid-Worcestershire (Peter Luff), who proposed his own private Member's Bill, the Small Business Rate Relief (Automatic Payment) Bill, which would have rendered the relief automatically payable to eligible businesses, as it is in Wales. In another example, Braintree district council has proposed spreading rate payments over 10 points in a 12-month period, and breaking it up into 10 per cent. pieces over 12 months is a good solution. There is also the flexible rates solution, whereby local councils have discretionary powers. That idea does not mean that they have to make up the money from elsewhere, and allowing for some flexibility on rates will help draw in new businesses.

[Mr. Brooks Newmark]

As the hon. Members for Sheffield, Attercliffe (Mr. Betts) and for Falmouth and Camborne (Julia Goldsworthy) said, we want local businesses to have a say. I chaired a meeting in Braintree to make sure that local businesses there had a say; local business people met local council representatives to say what they wanted to be done, and that was important. I also want to mention the Essex bank, which will support local businesses. It is a creative solution from Essex county council, whose work I applaud.

In the last 10 seconds, I should like to make one final plea, which echoes the words of my hon. Friend the Member for Hemel Hempstead (Mike Penning) and the hon. Member for Sunderland, South (Mr. Mullin). I ask the Government to review the pernicious charging of rates on empty properties, which has led to properties being destroyed.

9.40 pm

Mr. Stewart Jackson (Peterborough) (Con): The fact that this subject has been chosen by Her Majesty's Opposition for our allotted half day demonstrates how important to our economy we consider the business sector, particularly small businesses which can provide a path out of recession. No Labour Member has mentioned that business rates are a fixed cost, the pain of which has a bigger impact in a recession. We Conservatives believe that the Government's policies—especially those on business rates—are inflicting significant damage on the business sector. The strength of feeling across the House reflects the fact that many of the 4.7 million small businesses in our constituencies are experiencing unprecedented grim times.

We began with an excellent speech from my hon. Friend the Member for Putney (Justine Greening); it was a polished and forensic demolition of the Government's lamentable record. I am sorry that the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) was not able to make a speech. However, he made an intervention that showed a "computer says no" and a "It's not me, guv, it's the formula" approach to the policy. We heard about the impact of above-inflation rate rises. The ending of transitional relief was also mentioned; Ministers disregard the impact of that on local small businesses. My hon. Friend talked about the impact on sustainability and on small businesses such as the launderette, post offices and small shops in her constituency.

We heard an intervention about uniform business rates, but although the Government have been in power for 12 years they have not altered the system that obtained when they were elected. Mention was made about the failure of the Government to honour their clear objectives and undertakings to my hon. Friend the Member for Mid-Worcestershire (Peter Luff) on the automatic payment of small business rate relief; I hope that the Minister will touch on that issue in her response.

We also heard about Government incompetence and the over-complex and bureaucratic system of business rate deferral schemes, particularly for marginal businesses. The Government's complete inability to come up with a clear answer about the estimated cost was also discussed. There was an interesting discussion on the rate revaluation in April 2010. My hon. Friend the Member for Meriden (Mrs. Spelman) put forward empirical evidence about the impact of the relevant legislation in respect of the Valuation Office Agency, particularly in Wales.

A game effort was made by the Minister for Regional Economic Development and Co-ordination, new to the team. She did well in trying to persuade us that this zombie Government are still alive and making a difference. Many of her remarks, however, were clichéd platitudes based on discredited dividing lines—the facile, do nothing schtick that we expect from the Labour party. There was no recognition of the gravity of the recession, which is the worst since the second world war. In particular, and in stark contrast to the hon. Members for Liverpool, Riverside (Mrs. Ellman) and for Great Grimsby (Mr. Mitchell), the Minister showed a complacent attitude to the ports tax. We knew that she was in trouble, because she was citing the predictions of the Chancellor of the Exchequer, and people are always struggling when they have recourse to that resource.

We heard a number of key points from hon. Members from across the Chamber. The Minister failed to convince the hon. Member for Sunderland, South (Mr. Mullin) about empty property rates and failed to persuade the House about the business rates deferral scheme. Furthermore, she failed to persuade my hon. Friend the Member for South-West Norfolk (Christopher Fraser) that she can provide any meaningful, demonstrable data about the help that the Government schemes have given to individual businesses. I would be interested if the Under-Secretary could shed some light on that.

My hon. Friend the Member for Mid-Worcestershire prayed in aid John Cleese and "Clockwise", but this Government are clearly more akin to Monty Python's dead parrot, as we are well aware as each month goes on.

The speech by the hon. Member for Falmouth and Camborne (Julia Goldsworthy) was proof positive, if it were needed, that the Liberals remain at best a wholly owned subsidiary of the Labour party, and at worst a complete irrelevance. She avoided a straightforward commitment to local income tax, and effectively spent 17 minutes saying not very much.

The hon. Member for Sheffield, Attercliffe (Mr. Betts) gently chided the timidity of his Front Benchers, but himself took a rather nonchalant approach to how local businesses across the country are struggling in this recession. We heard an excellent and knowledgeable contribution by my hon. Friend the Member for Northampton, South (Mr. Binley), and a rather esoteric discussion of business improvement districts by the hon. Member for Coventry, North-West (Mr. Robinson).

That doughty champion of his constituents, my hon. Friend the Member for Hemel Hempstead (Mike Penning), raised a vital point about the impact of empty property rates on involuntarily empty properties, at Buncefield in particular. We had a rather, if I may say so, tedious parody of a party political speech from the hon. Member for Southampton, Test (Dr. Whitehead); I am glad that I never had to suffer in his university lectures. Finally, we heard an interesting speech by my hon. Friend the Member for Braintree (Mr. Newmark), who talked about businesses' practical experience in his constituency and the fact that this Government's policies are losing businesses to overseas locations.

My party has responded intelligently and sympathetically to the plight of businesses struggling through the recession. Less than three months ago, we initiated a debate that focused on the key issues affecting entrepreneurs and small and medium-sized enterprises: the poor take-up of small business rates relief; empty property rates; the failure of the local authority business growth incentives scheme effectively to promote business growth; the need to allow local authorities devolved autonomy to apply local business rate discounts; and, most importantly, the rise of 5 per cent. in business rates and the end of the transitional rate relief scheme. My party has outlined detailed and fully costed proposals designed to assist businesses in the current climate, not least a national loan guarantee scheme, a cut in corporation tax and payroll taxes for small companies, and deferred VAT for small businesses.

Given the time, I probably will not be able to discuss those matters in detail, so it might be appropriate to deal with the desperate spin of this Government in claiming that the Conservatives have no policies to deal with the recession. That comes from a party that secured the support of 15.7 per cent. of the electorate less than two weeks ago. Indeed, the conceit that the Labour party was pro-business was never supported by any demonstrable evidence. For Labour, business has always been a milch cow to fund its hare-brained schemes, fiscal mismanagement, bureaucracy and debt boom. Last week, the Prime Minister appointed Sir Alan Sugar, the born-again Labour supporter, as the enterprise tsar, but a poll in *The Independent* found that 81 per cent. of business leaders believed that that was

"a desperate attempt by Gordon Brown to boost his public popularity".

As we know, the words "Gordon Brown" and "public popularity" are oxymoronic.

It is no wonder that the Labour party cannot even give away tickets for its business fundraisers. The business community has lost what little faith and trust it had in this tired, discredited, washed-up Government, who have always governed in their own interests, not those of the people of this country. They cannot even get their spin right, as we saw today in the spat between the Chief Secretary and the surrogate Chancellor of the Exchequer, the Secretary of State for Children, Schools and Families. The Government's public expenditure and taxation plans are incoherent and incredible, just at a time when business desires clarity and leadership.

This Government have never understood that without a thriving business sector based on sound Government finances, lower taxes and falling public debt we cannot deliver real long-term improvements in our public services. They have had 12 years to harness the talent, flair and genius of our wealth creators, but they have comprehensively failed, leaving the ambitions of thousands in tatters. Once again, as in 1979, it will fall to a Conservative Government to rescue our economy, restore our mercantile spirit and repair the calamity of Labour's dozen wasted years.

9.50 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Sarah McCarthy-Fry): It is with enormous pleasure that I wind up the debate. In response to the hon. Member for Peterborough (Mr. Jackson), let me say that it is only too clear that only this Government have been helping businesses through the current economic recession, and only this Government are prepared to take action now. In her opening remarks, my right hon. Friend the Minister for Regional Economic Development and Co-ordination eloquently made the point that we fully recognise the impact of the current economic climate on businesses across the country. That is why we have taken real action now to help business through this economic downturn.

The hon. Member for Falmouth and Camborne (Julia Goldsworthy) took us through her contribution at breakneck speed. I appreciate why she did that, but it was sometimes difficult to keep up. I agreed with her critique of the Opposition motion, and I, too, noticed the striking similarity with the motion tabled on 25 March. I am sure that we all accept the importance of business rates, but I agree that the motion is narrow and ignores other issues about help for businesses.

I am afraid that that is as far as I can go in agreeing with the hon. Lady. I do not accept that our actions are tinkering at the edges, because I believe that they are giving real help to businesses now. I was disappointed that she mentioned our VAT cut, because despite the complaints from both Opposition parties, which did not believe that it would be effective, Office for National Statistics data show that the cut has been passed on to consumers in around two thirds of prices and has contributed to recent falls in inflation. In January, the Institute for Fiscal Studies said that the VAT cut had had the same effect as a 1 per cent. cut in interest rates, and in February Goldman Sachs said:

"The VAT cut appears to have had a clear positive impact."

My hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) made a thoughtful and knowledgeable contribution, and I particularly welcome his comments about revaluation, which put the record straight after the opening contribution by the hon. Member for Putney (Justine Greening).

The hon. Member for Northampton, South (Mr. Binley) made his contribution in his inimitable way, and he confined his remarks to small business rate relief. This Government introduced the scheme in the Local Government Act 2003, because we recognised the disproportionate burden that rates can have on small businesses. I am disappointed that the Opposition did not support that Bill on either Second or Third Reading.

The hon. Gentleman made a point about making small business rate relief automatic, which was suggested in a private Member's Bill introduced by the hon. Member for Mid-Worcestershire (Peter Luff). Such a scheme would present considerable challenges for local authorities, as they would themselves need to establish whether a ratepayer occupied more than one property. I cannot see how local authorities could do that if the ratepayer's property crossed local authority boundaries. There are difficulties with transferring that responsibility from businesses to local authorities, and we must consider whether it would be an administrative burden.

The hon. Member for Northampton, South also mentioned Wales, but the system is not totally automatic there. It is only partly automatic, and the scheme is different from ours. However, we are sympathetic to the aim of finding ways to support small businesses through the economic downturn, and we have been considering

[Sarah McCarthy-Fry]

what more we can do to improve the take-up of small business rate relief. We have already taken steps to amend legislation for 2009-10, so that all eligible businesses in new properties can receive rate relief from their first date of occupation. We are discussing with the Local Government Association the practical concerns—they are genuine practical concerns—to avoid an automatic scheme, which would award relief to businesses that are ineligible because they occupy multiple properties. I am happy to meet the hon. Member for Mid-Worcestershire to explain the position further. I believe that there is an outstanding meeting, at which he was due to meet my predecessor, and I am more than happy to take that up.

My hon. Friend the Member for Coventry, North-West (Mr. Robinson) spoke about a business improvement district project in his constituency. I do not have the details, but I am happy to discuss it with him further outside the debate.

I assure the hon. Member for Hemel Hempstead (Mike Penning) that his concerns were certainly not ignored. There was a concern that not all Back Benchers would have the opportunity to speak, and I am glad that the hon. Gentleman had the opportunity to make his point. To respond to it, it is generally the case that property must be capable of beneficial occupation before it can be brought into the rating list and be liable for empty property rates. The issue is obviously so important that the hon. Gentleman is not even listening. There are some exceptions to what I outlined. When the property is close to being complete and building work has stopped, the general rule is that property not capable of beneficial occupation is not rateable. I am more than happy to meet the hon. Gentleman and discuss his concerns further. However, I repeat that the general principle is that, if the property is not capable of beneficial occupation, it is not rateable.

I am grateful for the considerable knowledge and expertise of my hon. Friend the Member for Southampton, Test (Dr. Whitehead) on local government finance. I was heartened by his exposing the holes in the highly selective Opposition argument.

The hon. Member for Braintree (Mr. Newmark) raised concerns about businesses' ability to pay their business rates. That is precisely why we have introduced the help with cash flow.

Many hon. Members mentioned the deferral scheme. We recognise that businesses need help now to ease their cash flow when money is tight. That is why we introduced the deferral scheme for business rates. It is designed to smooth the effects of the inflation spike of 5 per cent. in September 2008, which would have meant an impact on businesses' cash flow this year. In the Budget, the Chancellor forecast that RPI inflation would fall to minus 3 per cent. by September 2009. The impact of uprating if RPI is negative would be to reduce total business rates in cash terms in 2010-11.

The hon. Member for Putney asked how the full deferral of 60 per cent. could be delivered if the scheme is introduced halfway through the year. The deferral scheme will come into force at the end of July—that was made clear when it was announced. The scheme will offer the full deferral of 60 per cent. of the increase due to inflation and transitional relief by adjusting the instalments of business rates that remain outstanding.

My hon. Friend the Member for Sheffield, Attercliffe mentioned revaluation. Regular revaluations are an important part of the rating system as they maintain fairness between all ratepayers. Revaluation ensures that each business contributes, based on up-to-date information. As my right hon. Friend the Minister said, all rateable values will be published at the end of September. At the same time, we will provide the business rates calculator to help ratepayers estimate their rates bill for 2010. By October, ratepayers will be able to estimate their 2010 rates bill, using their actual 2010 rateable value. *[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Lady, but far too many conversations are going on in the Chamber. We must hear the end of the debate.

Sarah McCarthy-Fry: For ratepayers who face increases at the 2010 revaluation, we will introduce transitional arrangements to phase them in and consult during the summer about the shape of those arrangements, which will benefit businesses in 2010-11.

The Government have recognised the problems that many businesses face. We are committed to doing all that we can to help businesses through the testing times. We are providing targeted, short-term support to aid business cash flow. We will continue to support businesses through the difficult economic times, and I commend our amendment to he House.

Question put (Standing Order No. 31(2)). That the original words stand part of the Question.

The House proceeded to a Division.

Mr. Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the Lobby of her choice.

The House having divided: Ayes 207, Noes 269.

Division No. 150] **[9.59 pm**

AYES

Afriyie, Adam	Campbell, rh Sir Menzies
Ainsworth, Mr. Peter	Carswell, Mr. Douglas
Amess, Mr. David	Cash, Mr. William
Ancram, rh Mr. Michael	Chope, Mr. Christopher
Arbuthnot, rh Mr. James	Clappison, Mr. James
Atkinson, Mr. Peter	Clark, Greg
Bacon, Mr. Richard	Clarke, rh Mr. Kenneth
Baldry, Tony	Clifton-Brown, Mr. Geoffrey
Barker, Gregory	Cormack, Sir Patrick
Barrett, John	Cox, Mr. Geoffrey
Bellingham, Mr. Henry	Crabb, Mr. Stephen
Benyon, Mr. Richard	Davies, Mr. Dai
Bercow, John	Davies, David T.C. *(Monmouth)*
Beresford, Sir Paul	Davies, Philip
Binley, Mr. Brian	Djanogly, Mr. Jonathan
Blunt, Mr. Crispin	Dorrell, rh Mr. Stephen
Bone, Mr. Peter	Dorries, Nadine
Boswell, Mr. Tim	Duddridge, James
Brady, Mr. Graham	Duncan, Alan
Brazier, Mr. Julian	Duncan Smith, rh Mr. Iain
Brokenshire, James	Ellwood, Mr. Tobias
Brooke, Annette	Evans, Mr. Nigel
Browne, Mr. Jeremy	Evennett, Mr. David
Browning, Angela	Fabricant, Michael
Burns, Mr. Simon	Fallon, Mr. Michael
Burrowes, Mr. David	Farron, Tim
Burt, Alistair	Field, Mr. Mark
Butterfill, Sir John	

Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mosa, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and Mr. Philip Dunne

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian

Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, rh Mr. Sadiq
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Malik, Mr. Shahid
Malleber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Helen Jones and
Mrs. Sharon Hodgson

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)), That the proposed words be there added.

Question agreed to.

The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved.

That this House notes that the Government is providing real help to businesses, with targeted support through the £20 billion working capital scheme, the Enterprise Finance Guarantee Scheme making available £1.3 billion of Government-guaranteed lending, an aim to pay Government suppliers within 10 days, a cut in the main rate of value added tax to 15 per cent., a deferral in the increase in the small companies' rate of corporation tax, free business health checks, over £100 million towards debt advice, the HM Revenue and Customs Business Payment Support Service benefiting over 100,000 firms by spreading a total of £2.5 billion of tax payments, and the extended rate relief for empty properties; recognises the Government's commitment to the annual Retail Price Index cap means there has been no real terms increase in business rates since 1990; welcomes the Small Business Rate Relief scheme providing £260 million of support in 2007-08; supports the fairness achieved by revaluing properties every five years with transitional arrangements to phase in significant changes in rates bills; welcomes the deferral scheme enabling payment of 2009-10 rates increases to be spread over three years to be brought into force by regulations in July; further notes the Local Authority Business Growth Incentive Scheme has provided funding of almost £1 billion since 2005-06; welcomes support for businesses, including in ports, receiving unexpected and significant backdated rates bills by the introduction of an unprecedented eight years to pay; and believes these measures provide certainty, fairness and appropriate relief for businesses.

DRIVING INSTRUCTION (SUSPENSION AND EXEMPTION POWERS) BILL [MONEY]

Queen's recommendation signified.

10.16 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I beg to move,

That, for the purposes of any Act resulting from the Driving Instruction (Suspension and Exemption Powers) Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by the Secretary of State in consequence of the Act.

That also covers any increase attributable to the Act in the sums payable under any other Act out of money so provided.

On Second Reading, it was the will of the House that the Bill—introduced by the hon. Member for Dunfermline and West Fife (Willie Rennie)—be discussed in Committee. It will introduce a power for the suspension of driving instructors who pose a threat to members of the public.

The Bill will have expenditure implications for the public purse, which will relate to compensation payable to driving instructors who have been suspended but whose permission to give paid driving instruction is not subsequently revoked, or whose permission is reinstated on appeal. The level of expenditure is unlikely to be significant, as it is expected that very few cases will result in the awarding of compensation. However, approval for a money resolution is needed before the Committee can debate the issue fully. The hon. Member for Dunfermline and West Fife has previously explained to the House that he has a particular interest in the issue as a consequence of concerns raised by one of his constituents.

The overwhelming majority of driving instructors, having satisfied the registrar that they are "fit and proper" persons, remain so throughout their careers. Unfortunately, a small number do not. Hon. Members will be rightly anxious for adequate safeguards to cover circumstances in which persons are prevented from following their profession. To that end, I wish to reassure the House that the Bill provides for a satisfactory statutory compensation scheme for the reimbursement of losses suffered by a suspended instructor whose suspension is subsequently lifted, and who is permitted to resume giving paid instruction. That is why we need the money resolution, and on that basis I commend it to the House.

10.19 pm

Mr. Robert Goodwill (Scarborough and Whitby) (Con): We are experiencing a rare moment of genuine cross-party consensus. I will therefore keep my comments brief, not least because I do not wish to delay those who are waiting to hear the Adjournment debate, which will be opened by my hon. Friend the Member for Mid-Bedfordshire (Nadine Dorries).

I commend the hon. Member for Dunfermline and West Fife (Willie Rennie) for his tenacity. I also commend his constituent Lesley Anne Steele, who brought the issue to his attention and who played a pivotal role in bringing the Bill to this stage. I thank the Under-Secretary and his Department for bringing the Department's resources into play in sorting out the complex legalities and financial instruments that we need to discuss, particularly as the measure offers no real political advantage to the Labour party. In fact, if anything the advantage would be with the Liberal Democrats in a marginal seat. I also thank my colleagues on the Tory Back Benches, and some on the Labour Benches, who, as the perennial awkward squad, can often be relied on to block any private Member's legislation, for seeing that this is what is termed a no-brainer as it involves realistic and sensible measures, and who therefore made sure we got to this stage today. We will be able to address the details in Committee on Wednesday, but the Bill closes an important loophole and means that a balance can be struck between the rights of approved driving instructors convicted of an offence and whether they can be considered a "fit and proper" person to be alone with a young learner, and our obligation to protect these young people.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think that I am obliged to say to the hon. Gentleman and the House in general that we are discussing the money resolution and we must not get into a debate about the substance of the Bill itself.

Mr. Goodwill: Thank you, Mr. Deputy Speaker.

The provision for compensation for those who are suspended and then subsequently cleared will probably be in the region of £60,000 per annum, given that maybe five or six people a year will be in such a situation. Consideration has been given to others such as school bus drivers, where the balance to be struck must be different. A person who has even just been arrested for an offence is to be immediately suspended. While I can see why the measure under discussion might have been taken a step further, given that we are not talking about vulnerable children or vulnerable adults with problems such as those we often encounter in care homes I think we have got the balance right. In cases where people are arrested as a result of investigations such as Operation Orr, the forensic examination of computers often takes many months, and in such cases the appeal would be much more expensive. I am very pleased that we have managed to reach this stage, and I look forward to debating the matter further in Committee on Wednesday.

10.22 pm

Willie Rennie (Dunfermline and West Fife) (LD): I am grateful to the Minister for bringing the money resolution before the House this evening. I shall keep my remarks brief, as it is 10.20 pm already, which is well past my bedtime. This issue arose from the case of Lesley Anne Steele in my constituency. She was sexually assaulted by a driving instructor, but the very next day after he was convicted he was out teaching another young girl to drive in the very same community. She came to me and we worked together to try to find out how this could possibly have happened. We discovered that there was a loophole in the law that allowed driving instructors to continue to operate for a further 45 days.

If we gain the power to suspend, this money resolution funds a compensation package so that on the rare occasion we get things wrong, compensation will be available. That is not unreasonable, as some people will lose in terms of both reputation and finance, as this might be their only source of earnings. We must have a compensation scheme to support those people who are

[Willie Rennie]

wrongly suspended or who successfully appeal against their suspension. I am grateful to the Minister for bringing this measure before the House. The Bill is important, and I hope we can discuss its measures in more detail in Committee on Wednesday.

Question put and agreed to.

DRIVING INSTRUCTION (SUSPENSION AND EXEMPTION POWERS) BILL [WAYS AND MEANS]

10.24 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I beg to move,

That, for the purposes of any Act resulting from the Driving Instruction (Suspension and Exemption Powers) Bill, it is expedient to authorise—

(1) the imposition of fees in connection with exemptions from prohibitions concerning registration, and

(2) payments into the Consolidated Fund.

I kept my remarks on the money resolution brief, but I also put on record our thanks to the constituent of the hon. Member for Dunfermline and West Fife (Willie Rennie), Lesley Anne Steele, in coming forward in what must have been difficult circumstances, and thereby bringing this matter forward to where we have reached today.

For the purposes of any Act resulting from the Driving Instruction (Suspension and Exemption Powers) Bill, it is expedient to provide a power in uncommenced provisions in the Road Safety Act 2006 to charge a fee for the costs incurred as a result of the exemption arrangements that enable partially qualified driving instructors to provide instruction for payment. The Bill amends uncommenced provisions in the 2006 Act, in particular those affecting sections 124 and 129 of the Road Traffic Act 1988. Section 129 enables trainee driving instructors to apply for a licence that permits them to offer instruction for payment. The registrar of approved driving instructors, who is an employee of the Driving Standards Agency, may charge a fee in connection with such an application—that fee currently stands at £140 per licence granted.

The existing trainee licence scheme is quite rigid in terms of its entry requirements. Applicants must have passed the first two of the three approved driving instructor qualifying tests. However, the 2006 Act envisaged more flexible qualifying arrangements for trainee instructors. Trainee instructors will obtain practical experience of providing tuition through the granting of exemptions from the requirement to be registered, as provided for in the uncommenced provisions of the 2006 Act. Unfortunately, that Act does not provide for a fee to be charged in connection with these exemption arrangements. The DSA needs to be able to continue charging trainee driving instructors a fee in connection with applications to give paid instruction while working towards admittance to the register of qualified instructors.

If the DSA were unable to pass on to applicants its costs for processing those exemption requests, they would fall on the agency's other customers and I am sure that the House would agree that that would be unfair. Alternatively, the DSA would not commence the new provisions and would continue to rely on the existing trainee licence regime. That would deny trainee driving instructors the more flexible qualifying arrangements envisaged in the 2006 Act.

We shall be introducing an amendment to the Bill to provide for the charging of fees in connection with the exemption from this registration. It is intended to replace the fee-charging provision that supports the existing trainee licence scheme. It is for this reason that the Ways And Means resolution is being introduced and, on that basis, I commend the resolution to the House.

10.27 pm

Willie Rennie (Dunfermline and West Fife) (LD): This Ways and Means resolution is eminently sensible. We need an arrangement in place whereby we can assess the trainee driving instructors as well as the registered ones, because it is pointless to do one part of this without addressing the full picture. I am grateful to the Minister for introducing the resolution, because it will allow us to have a much more comprehensive package of registration arrangements to ensure that people are fit and proper to be driving instructors in one way or another.

Question put and agreed to.

PETITION

Schools (Manchester)

10.28 pm

Mr. John Leech (Manchester, Withington) (LD): I wish to submit a petition on behalf of PACE—Parents Against the Closure of Ewing school—which has been signed by some 10,576 people from south Manchester and from across the rest of Greater Manchester who are, like me, opposed to closure of Ewing school.

The petition states:

The Petition of persons concerned at Manchester City Council's proposals to close Ewing School in Didsbury, Manchester.

Declares that Manchester City Council is currently considering proposals to close Ewing School in Didsbury, Manchester; notes that Ewing School is a specialist school that teaches children with speech, language and social communication disorders, from the ages of 5 to 16 years; further notes that Ewing's pupils are among the 1 per cent. of children with more severe and complex speech, language and social communication needs; further notes that many of the pupils have specific problems with understanding and the use of the spoken word and have further difficulties with social interaction; recognises that Ewing School has a high teacher to pupil ratio, which enables the school to provide an intensive Teach and Learn environment.

Believes that Manchester City Council's proposals to close Ewing School and relocate the pupils to mainstream schools are misguided; further notes that many of Ewing's pupils have previously been excluded from mainstream schools; further believes that Ewing School offers a safe and secure learning environment that is more conducive to their pupils' complex needs, which gives them the chance to achieve a high standard of education

The Petitioners therefore request that the House of Commons urges the Government to do all in its power to persuade Manchester City Council to rethink its plans to close Ewing School and to permit the school to remain open and free from the threat of closure

And the Petitioners remain, etc.

[P000382]

Vehicle Scrappage Scheme

Motion made, and Question proposed, That this House do now adjourn.—*(Ms Butler.)*

10.30 pm

Nadine Dorries (Mid-Bedfordshire) (Con): The vehicle scrappage scheme was launched on 18 May and is therefore less than a month old. In a press release today, after just 28 days, Lord Mandelson declared that the scheme was a success and had given the car-making industry the boost that it needed. It is slightly premature to issue such a press release after such a short time. The new car industry may consider the scheme a success, but it has actually failed in several areas and could be improved. I shall highlight some of the many ways in which that might be done.

The Department says that there will be a compliance review in two months' time. Given the statement today by Lord Mandelson, I wonder whether the Minister can confirm whether it will still take place. If the press statement today is a premature finding for that review, it leaves no room for debate or suggested improvements.

Dr. Stephen Ladyman (South Thanet) (Lab): I congratulate the hon. Lady on obtaining this debate. I have a big facility in my constituency, run by a company called Copart, which is very interested in the scrappage scheme. Does she agree that getting the scrappage scheme up and running so quickly was a great achievement, but that there are bound to be things that can be done better? The two-month review must be a real review, in which stakeholders can provide information to the Government about what could be done better, and the Government can then react to that positively and incorporate it into the scheme. In other words, the two-month review must be a real review, open to full consultation.

Nadine Dorries: The hon. Gentleman has pre-empted part of what I was going to say. I also have a Copart division in my constituency, in Stewartby. I agree that when the compliance review takes place, consumers, members of the scrappage industry and other interested parties should have the opportunity to contribute to the review.

Problems with the scheme are evident after only a month of its operation. For example, there is limited consumer choice. There is also a focus on new car sales, instead of the entire motor trade. Of course, the scheme was introduced, practically the night before the Budget and released the next day, as an emergency measure to boost the flagging car industry. One cannot say that it has failed in that—today's figures show sales of 60,000 cars in a month—but other parts of the motor industry are as important. Organisations such as Copart are suffering, but there is a way to improve the scheme in all its aspects without having a detrimental effect on new car sales.

In his initial press release, the Secretary of State said that the scrappage scheme was intended to stimulate car sales across the whole motor trade and that the benefits of the scheme would be balanced with the needs of other sectors of the car industry, such as the second-hand car market. However, we know that that has not been the case. In Britain, the only way in which to secure the

[Nadine Dorries]

£2,000 support is for a motorist to acquire a new car or a new van by visiting a dealer. The dealers are generally tied to one manufacturer, as most new car dealers are. Obviously, documentation checks take place through the Driver and Vehicle Licensing Agency database. Manufacturers will invoice the Department for £1,000 and provide match funding. Some manufacturers offer additional incentive finance, whereas others drive a hard bargain, with fewer incentives, particularly with the smaller new cars, which elderly people tend to go for.

The consequence is that in the modern second-hand market there is no benefit for the for people who might wish to trade up rather than commit the larger net amount to an entirely new vehicle. Some consumers who do not normally make new purchases will also be unfamiliar with the credit risk arising from the expensive capital purchase. I believe that some people from lower-income groups and the elderly are disadvantaged as a result. Many people who have a 10-year-old car have a 10-year-old car because they cannot afford to trade up to a new car. The difference between the 10-year-old car and the new purchase is huge.

A £2,000 saving from £8,000 or £10,000 is not that much for a retired couple in their mid-70s to 80s who have had their car for a long time—probably since just before they retired. They do not have much capital, so that reduction in price does not really help. If we had a way of helping such a couple to have access to second-hand cars that were more reliable—after all, one of the reasons why the scheme was introduced is that 10-year-old cars are not as safe—I could definitely see that as an improvement in the scheme. It would boost the automotive industry as a whole rather than just the new car sector.

We do not have a portable voucher such as the one in Germany and California, whereby people can take their voucher wherever they wish to buy their car. They have much greater access to the market and to what is available. That empowers the people who hold the vouchers. They are not then subjected to one particular dealer, or to one particular type of car or manufacturer. They have the buying power because they have a voucher in their hand. We know that that system has been incredibly successful in California and Germany. Perhaps we do not have a portable voucher scheme because our scheme was brought in so quickly and hurriedly due to the circumstances that we faced at the time. Does the Minister believe, now that we have had more time to reflect on the matter, that he will consider the portable voucher scheme in the review that will take place after two months?

I recognise that the strongest driving force behind the new scheme is car sales. My constituency is near Luton, where LDV is suffering its own problems and uncertainties, so I do not want to sound as though I am diminishing the importance of boosting new car sales. I am not. I believe, however, that the portable voucher, by enabling people to trade up, will provide a longer-term stimulus to the automotive industry and new car sales.

There are also valuation problems. People receive £2,000, and it does not matter whether the car is worth more or less in individual part sales. It seems as though there could be some room for work there, too. If consumers are channelled into making scrapping arrangements solely through their local dealership, which will have arrangements with other scrappage dealers, that does not give the consumer power over where they can take their cars. They are tied in to the dealer—not only by the finance available from the Department and the dealer, but on the scrappage side, too.

There are effects on the scrappage trade, too. We would be foolish to sit here and think that 60,000 new car sales and the scrapping of 60,000 cars this month, in addition to what already takes place, will not cause a spike in the scrappage trade that, in turn, will cause a downturn in prices. That is happening and as a result the scheme is suffering.

The Department has not had time to make appropriate due-diligence checks on the organisations that will be intimately involved in delivering the scrappage element of the scheme. Copart in my constituency is a subsidiary of an American organisation and is one of the largest scrappage organisations in the UK where there are 1.5 million scrap vehicles every year. It would be good if the experts on this part of the scheme could be brought in for discussion, with due diligence being paid to how they deal with their scrappage and the effects that the scheme is having on their businesses.

The scrap industry is suffering from cash-flow problems at present, as the price of scrap metal has fallen by 20 per cent. There was great anticipation of the scheme before it was launched and, although I have not had time to check today, I imagine that the fact that there have been more than 60,000 car sales this month means that the price of scrap has fallen even further.

The capacity to deal with the volume of scrappage safely and in a sustainable way needs to be assessed. Nobody wants too few vehicles to be processed, but equally no one wants a car mountain. In the present state of the scheme, there is no strong commercial incentive for parties with large-scale capacity in vehicle scrappage to enter the trade chain. That is another good reason why the organisations to which I have referred should be brought into the review process.

Another element is the EU's end-of-life vehicles directive, whose aim is to achieve a greening of the auto industry. The Department has said that the "green side of things" is secondary to the boost that the scrappage scheme will give the car industry, but I reject that. I am a member of the Energy and Climate Change Committee, and I believe that green considerations are equally important, as they have their own effect on the economy. The green side of the scrappage scheme needs to be given an importance equal to that of boosting the car industry, and we must make sure that people using the scheme are aware of it.

The Department for Business, Innovatina and Skills says that it has urged car manufacturers to review their vehicle disposal arrangements to accommodate demand, but manufacturers and most dealers are locked into sole-source agreements with particular vehicle takeaway companies for the first stage in the vehicle disposal sequence. As a result, any difficulties that arise can be resolved only when there has been a contractual failure and there are vehicle takeaway problems. That is too late, because by then the companies will already have failed to meet the criteria laid down for them. Making sure that that aspect of the matter is given full consideration is another reason why it is important that we have a review at the end of two months. Compliance with the

EU's end-of-life vehicles directive may be harder to achieve if the scheme eventually achieves its target of 300,000 vehicles, with the bulk of vehicles being dealt with in a shorter space of time and causing the spikes in scrap management that I have described.

I shall summarise my argument in three minutes. We need to make the scheme fully successful during the 10 months, for the benefit of the economy. No one doubts or disputes that—least of all me, given that my constituency is next door to Luton. As the scheme is constructed and operating, it may not deliver strong benefits for any part of the automotive industry over the longer period.

It is clearly important that the scheme delivers good results for new sales, as that is how part-funding from manufacturers is being leveraged. However, its design has built-in disincentives for consumers to achieve maximum personal choice, and an example of that is the lack of a portable voucher that I mentioned earlier. I hope that the Minister, when he responds to the debate will say something about portable vouchers: has the Department begun to look at them, and does it think that there is any point in making them available? Will they be part of what is assessed in the review?

The requirement that arrangements for vehicle scrappage can be made only through dealerships also limits consumer flexibility, and distorts business volumes in the scrappage industry. The scheme's focus on new sales also disadvantages other parts of the total automotive economy.

The Department has stated that the scrappage industry and green aspects are secondary—an unfortunate and indefensible statement. The scrappage industry has already experienced some economic loss, and it would be wrong to raise environmental risks. Britain should take the opportunity of the compliance review that will be undertaken after the second month of the scheme to put in place new arrangements that open up consumer choice and spread the economic and green benefits across the whole of the automotive economy.

Finally, it is worth considering whether there could be a longer-term scheme. The Government have recognised that the scrappage programme is important to stimulating the car industry. The present scheme may or may not end before a general election is called, but there may be scope for a longer-term arrangement, particularly one based on greater consumer choice and with clearer environmental credentials. So my main points are about: the portable voucher that people are given; the fact that environmental considerations are as important as the stimulation to the car industry; and consumers being given greater access, particularly in terms of the scrappage element of the scheme.

10.45 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): I congratulate the hon. Member for Mid-Bedfordshire (Nadine Dorries) on securing this timely debate. She made a stimulating contribution, giving many ideas concerning an interesting and, to date, successful scheme. Of course, the scrappage scheme was brought in because of a crisis in one of our most important industries. Manufacturing in general, and the automotive industry in particular, are of key importance to the United Kingdom's economy. However, in recent months the automotive industry has been one of the sectors worst affected by the current global economic downturn, so let me begin by reaffirming the Government's absolute commitment to safeguarding the industry's future and providing support in these difficult times.

The scheme was brought in at the request of the motor industry, which pressed hard for a scrappage scheme; it was in answer to representations that the scheme was introduced. The Government responded because the automotive industry employs nearly 1 million people in manufacturing and retailing, and it contributes £10 billion annually to the economy. It is a major contributor to research and development, and supports many highly skilled workers and a wide supply chain.

In the United Kingdom, the sector has been under great pressure in recent months, but the Government are determined to ensure that it remains one of the central pillars of British manufacturing. The vehicle scrappage scheme, which, as the hon. Lady said, was announced in the Budget and introduced on 18 May, is one of the mechanisms that we are using to achieve that objective and stimulate demand. I emphasise that it is one of a number of different methods. It has its own particular purpose and remit.

The decision to implement a scrappage scheme was taken after careful consideration of a wide range of evidence, including the lessons learned from other European schemes and evidence on the possible impact of such a scheme on other sectors of the economy. We have endeavoured to introduce the most effective scheme for the sector, while ensuring that we look after taxpayers' interests properly and minimise the possible effects elsewhere in the economy.

The Government have ensured that advice about support on offer specifically tailored to the needs of the automotive sector has been distributed to the UK automotive supply chain through the manufacturers. In addition to that support, which is available today, there are a number of other sources of support. The new automotive innovation and growth team—a Government-facilitated, industry-led, independent group of experts—published a report on 6 May. It rightly emphasised the scale and continuing importance of the automotive industry to the United Kingdom's manufacturing sector and wider economy. However, the NAIGT recognises that to secure that position for the long term the United Kingdom needs to become a leading global player in the development of low-carbon road transport. Its work is particularly timely in view of the announcement on 16 April of the Government's vision to develop ultra low-carbon transport over the next five years.

Let me touch on the legitimate points that the hon. Lady raised about the green aspect of the scrappage scheme. It is especially important to observe that the scrappage scheme is a particular proposal for a particular time. It was introduced in response to demands made by the motor industry, which requested a stimulant in the market at a particular time. It is for that reason that the Government decided to introduce a scheme that was time-limited and budget-limited. It has been extremely successful to date. As the hon. Lady said, some 60,000 vehicles have been sold under the scheme; that is about 10,000 or 12,000 vehicles a week. That is a direct stimulant to the economy.

[Ian Lucas]

However, in order to observe the requirement for low-carbon transport, the Government have made it clear that the scheme will be time limited. Our calculations indicate that the scheme as a whole will be carbon-neutral, because there is evidence that newer cars use less fuel than older cars. Vehicles over 10 years old are being taken off the roads and replaced by vehicles new to the roads, which use lower amounts of fuel and emit less carbon into the atmosphere. They therefore make a positive green contribution.

It is important to realise that the scrappage scheme is only one of the schemes that the Government are introducing in the automotive sector. The automotive assistance programme is another device instigated by the Government to assist the industry. That has particular environmental aspects which require the manufacturers to take environmental steps in order to qualify for assistance. The Government recognise the importance of offering specific incentives in order to address the needs of the environment.

Let me deal with some of the specific issues raised by the hon. Lady. She referred to the compliance review. That is an audit of compliance with the scheme which will take place at the two-month point, as promised. It is not a review of the scheme. It looks at the way the scheme is working and how it is affecting the industry as a whole, to see whether the systems in place are working properly, not incorrectly or fraudulently.

Nadine Dorries: If the compliance review looks at the way the scheme is working and finds areas in which it is failing, would the review take account of proposals to improve the scheme not just to meet the present criteria, but to an enhanced level for the remaining 10 months?

Ian Lucas: Proper compliance with the scheme is important. We need to ensure that the taxpayer is protected. I am keen to see the proper operation of the scheme. All the evidence so far indicates that it is successful. With 60,000 vehicles sold under the scheme since 18 May, there is no evidence that it is unsuccessful. All the evidence indicates the contrary, which is why the Secretary of State spoke in the terms that he did. In the interests of the taxpayer, we have to ensure proper compliance with the rules of the scheme.

Dr. Ladyman: I understand what my hon. Friend is saying—that the compliance review must make sure that the rules are being followed, that nobody is cheating and that the right things are being done. I accept that the scheme has been a great success, but under different rules perhaps 70,000 cars would have been sold, instead of 60,000. Is there no mechanism whereby we can offer my hon. Friend constructive suggestions for making the scheme even more successful, so that he can consider changing the scheme?

Ian Lucas: In addition to the compliance review, I am always ready to hear ideas for improvement of the scheme. I add the caveat that the scheme is time limited and budget limited. It has been very successful thus far, and if it were even more successful, the budget might be used up even more quickly than at present. It is a budget-limited scheme; I just want to make that absolutely clear. Representations may be made to me on the budget in due course, but the scheme is either time limited or budget limited, and the indications to date are that the budget will be used up within the time frame that was set when the scheme was announced.

On the issue of whether purchasers have been able to afford a new car, early indications show that the people who are using the scheme include the elderly. One group who are most likely to take advantage of the scheme are those who—obviously—have had a car for more than 10 years and who directly respond to the scheme's large incentives.

Of course, the incentives can amount to more than £2,000. I remember hearing on the first day that the scheme was introduced, I think, advertisements for offers of £3,000 and even more for particular vehicles. It appears that such offers have been very successful in encouraging cash buyers to purchase vehicles. The evidence does not indicate that elderly people are being deterred by the scrappage scheme; if anything, the initial evidence appears to be the contrary.

Before the scheme was introduced, the Government considered extending it to second-hand cars, but we excluded them because of the experience of other member states, which suggested that the inclusion of used cars would distort prices in the market. Having considered the situation, the Government decided that the available funds would be most effectively used in the new car market.

On the question of the car mountain and whether the number of vehicles going to scrappage will cause a difficulty in the scrappage market, I should say that consultation again took place and car scrappage operators gave assurances that there would be capacity in the market to handle the scrappage of all 300,000 cars. To date, we have had no indication that that is not the case, but I should be interested to hear representations from that area of the manufacturing market. There appears, however, to be overall satisfaction with the capacity of the scrappage system in the current market.

I actually have evidence myself of the scheme's success, because, strangely this week, having been newly appointed as the Minister responsible for the scheme, I received a letter from my local Toyota garage, which sold me my car some years ago. My vehicle is just over 10 years old and therefore eligible for the scrappage scheme, and in the letter's PS the garage told me:

"As demand has vastly exceeded our expectations—most Toyota new car models are now in short supply."

That is evidence from Wrexham, and I hope that it is an indication that the scheme will be successful, and that its good start will continue.

I am very grateful to the hon. Lady for initiating the debate, and I am anxious to listen to observations that hon. Members from all parts of the House make about the scheme. Clearly, it affects not just the new car market, but the used car market. As I said earlier, the industry is important not only in the new car sector but in the used car sector and the retail sector. For all those reasons, it is very important that, at this very difficult time, we support the industry as much as we can.

Question put and agreed to.

10.59 pm

House adjourned.

House of Commons

Tuesday 16 June 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Probation Services

1. **Paul Rowen** (Rochdale) (LD): What recent assessment he has made of the adequacy of funding for probation services; and if he will make a statement. [279663]

4. **Mr. Philip Dunne** (Ludlow) (Con): What assessment he has made of the likely effect on probation services in the period up to 2011 of reductions in probation service budgets. [279667]

7. **Paul Holmes** (Chesterfield) (LD): What recent assessment he has made of the adequacy of funding for probation services; and if he will make a statement. [279670]

9. **Sandra Gidley** (Romsey) (LD): What recent assessment he has made of the adequacy of levels of funding for probation services; and if he will make a statement. [279673]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Probation funding has increased since 1997 by 70 per cent. in real terms, a faster rate than the increase in case load and almost twice the growth rate of the Prison Service. Staff numbers have increased by 50 per cent., with a 54 per cent. increase in front-line staff.

The budget for this year is £894 million. Taking account of a £17 million underspend in 2008-09, the required efficiency savings will be less than half of 1 per cent. No final decisions have been made about the budgets for 2010-11.

Paul Rowen: I thank the Secretary of State for that answer, but does he accept that in the past three years more than 300 people on probation have been charged with murder, and 130 with attempted murder? What has caused that, if not a lack of resources?

Mr. Straw: I wish it was that simple. The hon. Gentleman must take account of the comments of Her Majesty's chief inspector of probation, who has pointed out a simple truth that would apply even were there ever to be a Liberal Democrat Government: some people who go on to commit the most serious offences have already committed less serious offences and will therefore be on probation at an earlier stage. That is a matter of great regret, but it happens to be a truth. There is no point in misleading the public that there is some promised land where doubling the amount of money available would mean that no one who committed a murder had ever committed previous offences for which they had been punished.

Mr. Dunne: The Justice Secretary seems to be in denial. He keeps harking back to what has happened since 1997, but people involved in the probation service are worried about what is happening this year and next. The budgets for next year and the year after that were set out in the comprehensive spending review have now been withdrawn, and probation trusts do not know what they are dealing with. In my area, West Mercia probation trust, 30 out of 390 posts are being lost. None of the trainees due to complete their training period this year, or of those expected to do so next year, can be sure that there will be a job to go to. What sort of service is the right hon. Gentleman running?

Mr. Straw: I shall tell the hon. Gentleman what sort of service we are running. In his area, funding has increased by 70 per cent. in cash terms, whereas prices have gone up by less than 25 per cent. The probation service across the country is worried not about stable funding under Labour, but about a 10 per cent. cut under the Conservatives. Moreover, I have heard the shadow Chancellor say time and again that spending would have been much less this year and in previous years. There would have been a lower platform, and lower spending now.

Paul Holmes: Although funding for the probation service has gone up in recent years, the case load has gone up by even more. In the past four years, the average case load per qualified probation officer has risen by a third. The Centre for Crime and Justice Studies has said:

"With budgets set to shrink in the coming years, the capacity of the Service to respond effectively to the demands"

placed on it

"must be in...question."

I know that staff at Derbyshire probation service would heartily concur with that.

Mr. Straw: I wholly disagree. In the hon. Gentleman's area, Derbyshire, probation funding has gone up by an even greater proportion than it has in West Mercia. It has gone up by 78 per cent., and that is since 2001, not 1997. There has been an astonishing increase in resources that exceeds the case load, and there is every reason to believe that Derbyshire probation service, which is well run, can meet its responsibilities. I hope it gets some backing from the hon. Gentleman in that.

Sandra Gidley: When confronted with the realities of probation overstretch in the case of Daniel Sonnex last week, the Secretary of State claimed that there had been a net increase in the number of probation officers over the previous five years. Will he admit, however, that that figure relies largely on the massive increase in the numbers

of probation service officers, who are qualified to a lesser degree and cannot supervise high-risk offenders? Will he confirm that the number of qualified probation officers actually fell over the same period?

Mr. Straw: The hon. Lady reads too much of the briefing from the National Association of Probation Officers. I shall give her a health warning—it is often inaccurate, as it is in this respect. I can give her the figures since 1997. In 1997, there were 6,827 probation officers and senior probation officers, the latter being, by definition, more qualified than probation officers. By 2007, 10 years later, there were more than 7,000 probation officers. Probation service officers fulfil a very important function and their numbers have gone up. They take loads away from probation officers, and their numbers have gone up from under 2,000 to over 6,400.

John Battle (Leeds, West) (Lab): May I ask my right hon. Friend whether the good, hard work of probation needs much wider back-up and support, particularly in relation to people who are released from prisons such as Armley prison in my constituency, where 50 people a day come in, and 50 a day come out? The main issues are drugs, alcohol and mental health. Would it not be better if his Department was backed up a bit more substantially by other Departments in providing skills and training, and drug and alcohol rehabilitation services in the community, so that all the burden was not on probation services?

Mr. Straw: I very strongly agree with my right hon. Friend, and my right hon. Friends the Secretaries of State for Health, and for Children, Schools and Families increasingly recognise that their services, particularly mental health, drug and alcohol treatment services, have an important role to play in diverting offenders from crime.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Does my right hon. Friend agree that part of the problem in assessing the effectiveness or otherwise of the probation service is that there is not a settled view as to what works, in terms of alternatives to custody? Does he agree that there is a case for holding an inquiry along the lines of the Carter review into sentencing, looking specifically at alternatives to custody, and including the probation service, so that we can arrive at a clearer picture of what needs to be done?

Mr. Straw: My right hon. Friend makes an important point. At one level, it is much easier to assess the effectiveness of prison—provided prisoners are kept locked up—than the effectiveness of probation and other non-custodial sentences, but I agree with him that we need the most rigorous analysis of all methods that are used by probation services and others, so that we can arrive at the best approach for dealing in the community with those offenders who do not need to go to jail.

Mr. Chris Mullin (Sunderland, South) (Lab): I hear what my right hon. Friend says about the increase in resources, but I am told that in Northumbria, for example, of the 24 probation officers currently in training, at a cost of £90,000 per course, only half will be offered temporary contracts at the end; the other half will be offered nothing at all. How does he explain the gap between the figures he has quoted, and what we are hearing on the ground?

Mr. Straw: The budget for Northumbria has increased dramatically in recent years, as has the budget for other services. Last year, there was a £600,000 underspend in Northumbria. The major problem is a mismatch between trainees and vacancies; that has to do with the overall economic downturn, but we are now dealing with it—I agree that this cannot deal with the historical problem of that mismatch—through profound changes in the training system, on which we are consulting. Those changes will mean that trainees will not be offered a traineeship unless there is a guaranteed job for them to go to.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. Friend will know that in Huddersfield and Kirklees we have an excellent probation service, and its members are very grateful for the Government's investment over a number of years, but there is a communication problem. They are not happy at the moment, and from Huddersfield to Harry Fletcher, there are feelings of neglect. Can we make communication with the probation service a bit better?

Mr. Straw: Yes, I think that we do have to improve it. One of the things that I have been doing is holding very regular meetings, at least once a month, with senior officials from Unison and the National Association of Probation Officers to work through a range of issues, not least budgetary problems, where they arise, in an effort to resolve them before they cause serious difficulties locally, and I think that that process is working.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The right hon. Gentleman quoted some global figures, and mentioned increases. What he did not say is that we expect far more from probation officers today than we did 10 years ago. He will know that the young woman who is unfortunately ill now, having tried to do her best to supervise Sonnex, had 127 cases on her work load, whereas 40 would have been more than adequate. She is not unique, and the right hon. Gentleman must realise that if we are pushing for community penalties, and for probation officers to do all the other things that we expect them to do, we need resourcing, and we need officers on the ground.

Mr. Straw: There has been a significant increase in the number of officers. As became clear in the various reviews of the Sonnex case, all of which I published, the Greenwich and Lewisham division of London Probation was grossly mismanaged. The fact that there was a sickness level of 27.5 days—five and a half weeks' sickness, on average, for every person working in the Greenwich and Lewisham area—compared with the average across London of about 13 days, which is too many, indicates the outrageously low level of management of that probation area. The senior management of London Probation should have noticed that. That is one of the reasons I agreed the suspension of the then chief officer of London Probation. I have every sympathy with the young woman who was in direct line supervision of Sonnex, which is why I have gone out of my way never to criticise her or her line colleagues; she and her colleagues, on the front line, were not to blame.

John McDonnell (Hayes and Harlington) (Lab): On the point that my right hon. Friend just made, sickness levels often reflect staff morale. Virtually every year since 1999, I have met Ministers about London Probation, and although we have received global figures for increases in budgets, they do not seem to be reflected in the front-line staff increases that the staff report. To gain an accurate assessment, the justice unions parliamentary group is holding an evidence session on 15 July, inviting London probation officers to explain what is happening on the ground. I would welcome the Minister's attendance at that session.

Mr. Straw: I shall do my best to come. There has been an increase of 63 probation officers in London. Sickness levels are principally a symptom of poor management. If one looks at levels of sickness in schools or local authorities or, for example, police stations in the Metropolitan police area, one sees that similar police divisions have very different levels of sickness. Of course that is a reflection of morale, but fundamentally of management. With decent management at divisional level, levels of sickness almost always go down.

Mr. William Cash (Stone) (Con): The Justice Secretary might know that there are proposals in relation to Staffordshire, some details of which we received as a result of a meeting today with senior management. In Staffordshire, we believe strongly in local identity and the local community, and we pay tribute to the probation service. Does the right hon. Gentleman accept that there are those of us who are seriously worried about the idea of a merger into a west midlands probation service? What is the rationale behind that, and will he review it?

Mr. Straw: I am happy to meet the hon. Gentleman, as is my hon. Friend the Minister of State, to discuss the matter. We have—I think there is general approbation for this—established the process of probation trusts. The first initiative on the boundaries to be followed is a matter for local decision, although there is a further decision level.

Rob Marris (Wolverhampton, South-West) (Lab): In the past five years the budget in the west midlands has gone up a lot more than the case load. The number of probation officers has gone up, the number of probation service officers has gone up markedly and the percentage spent on administration has fallen, yet there are redundancies and there are great concerns among probation officers and probation service officers. That seems to be the case around the country. May I suggest that my right hon. Friend consider some inquiry into why there is a mismatch between the figures that he has been given and what seems to be happening on the ground around the country?

Mr. Straw: I accept, against a background of rising budgets for the past seven years, that budgets this year and next are tight. I established the process with the trade unions and with the Probation Association, which represents probation employers, to ensure that they are helped better to manage their budgets without the need for panic cuts, which are not justified by budgets this year or next year and are not likely to be justified the year after.

David Howarth (Cambridge) (LD): Does not the whole debate about the resources available to probation illustrate the point that resources should be targeted ruthlessly on what works to reduce crime? One can go further than the right hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) and say that we know what works in many circumstances—restorative justice, drug and alcohol treatment and mental health treatment. Does not the debate also illustrate the point that we should not waste money on what does not work or on programmes such as bibs, which are aimed more at manipulating public opinion than reducing crime? One can make the same accusation about the vast prison building system, which is based more on penal populism than on a genuine desire to get the crime rate even lower.

Mr. Straw: I gleaned from that when the hon. Gentleman talks about bibs, he means high-visibility jackets for offenders. If he wants—there is now overwhelming evidence of this—greater public confidence in the less expensive and often more effective community punishments of unpaid work, he must support measures to increase public confidence in those disposals. One of the best, means that we have used recently to increase public confidence in those disposals at very low cost has been the introduction of high-visibility jackets. It has worked.

Ms Dari Taylor (Stockton, South) (Lab): Teesside probation services received significant increases in funding over the years, but I am receiving letters from trainee probation officers who tell me that their chief probation officer has stated that indicative budgets for 2010-13 indicate clearly that they will not be employed after March 2010. Does my right hon. Friend accept that the concern of the young women who have written to me makes it clear that they believe that grass-roots officers are being penalised because there is a financial shortfall?

Mr. Straw: As I said earlier, all those concerns must be set against a very high base of spending by the probation service, and the service itself will recognise that, I am sure. I have some information detailing that, of a cohort of 42 probation trainees, 18 will be offered probation officer contracts, 12 will be offered probation service officer contracts and 12 will be considered for other junior roles. I have already referred to the problem that has arisen, which is principally to do with the shortage of vacancies due to the economic downturn and the fact that we are changing the whole system. However, a probation service career is still a very good career, and it will remain so as long as there is a Labour Administration who are not going in for blanket 10 per cent. cuts in spending.

Mr. Dominic Grieve (Beaconsfield) (Con): The Justice Secretary has told the House that the system cannot be made perfect, and I agree, but he has had an opportunity to hear comments from all parts of the House about the state of the probation service. It is clearly untenable to maintain—I am sure he would not seek to do so—that, in the light of those comments, the Sonnex case is a one-off. Indeed, the statistic that one in seven homicides charged is to a person on probation is appalling. The Justice Secretary has told us about figures, but what is he doing to try to remedy the situation?

Mr. Straw: We have worked very significantly over the past 12 years to improve the effectiveness of the probation service. The hon. and learned Gentleman's Government abandoned or abolished the training of probation officers, and we brought it back. We have increased resources by 70 per cent. and increased the effectiveness of the service, so, for example, getting on for 90 per cent. of offenders who breach their probation are recalled quickly to prison, compared with 30 per cent. when his Conservative party was in power. On the issue of funding, let him return to the Dispatch Box and admit that the 10 per cent. cut that the Conservative shadow Chancellor is talking about would mean an £80 million cut in probation funding immediately.

Mr. Grieve: Will the Justice Secretary please confirm that he has given a direction to probation trusts to cut supervision reports on offenders sentenced to life but released on licence from once every three months to once every six? Will halving those reporting requirements strengthen or weaken public protection?

Mr. Straw: We are clear that, overall, the measures we are putting in place will strengthen public protection, as they have done. We will not take lectures from the Conservative party, which made probation enforcement voluntary when it was in power and would cut probation budgets by at least 10 per cent. over the next two years.

Mr. Denis MacShane (Rotherham) (Lab): Unless the Front Bench opposite is prepared today to commit to an X per cent. increase in funding for that area, it is so much hypocritical hot air that we are hearing from it. In my constituency, the number of burglaries has reduced from more than 5,000 in 2001 to a little over 3,000 last year. That is through police work and probation officer work, and we should congratulate them. However, will my right hon. Friend write to me to set out the broader picture in south Yorkshire and Rotherham? There are genuine concerns and we must address them, but there are no lessons—no lessons at all—to take from the tax-cutting hypocrites of the party opposite.

Mr. Speaker: Order. Please withdraw the term "hypocrite". There are no hypocrites in this House.

Mr. MacShane: I thought that I referred to the party as hypocritical. If we cannot say that in the House—

Mr. Speaker: Order. The right hon. Gentleman mentioned Members opposite. It is to be withdrawn.

Mr. MacShane: I am very happy to withdraw that, Sir.

Mr. Speaker: Order. That is fine.

Mr. Straw: Phew! I shall of course write to my right hon. Friend, pointing out that, although we are profoundly concerned about any failures, overall, in his constituency of Rotherham and throughout the country, including Beaconsfield, there has been a dramatic reduction in crime. We are the first Government since the war to see crime going down significantly rather than up.

Family Division

2. **John Hemming** (Birmingham, Yardley) (LD): What recent assessment he has made of the effectiveness of the arrangements by which the Official Solicitor is appointed to act in the family division. [27964]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): There has not been a recent assessment and there are not any plans for one. However, the family procedure rule committee has invited the family justice council to consider producing good practice guidance for those cases in which parties lack capacity to give instructions. That is currently being considered by the relevant sub-committee.

John Hemming: I thank the Minister for that answer. More than 100 times a year, mothers are prevented from opposing the adoption or the taking into care of their children as a result of a single expert opinion part-paid for by the local authority. Will the Minister meet me so that I can reveal to her the details of the dossier behind that and demonstrate how many mothers have their right to oppose removed because of mental capacity when in fact they do have the capacity to instruct a solicitor? I hope that a further assessment can be made and that these miscarriages of justice can be stopped.

Bridget Prentice: I will be more than happy to have a meeting with the hon. Gentleman about that, but I should say that the expert witnesses called to court to decide on capacity are not in the pockets of the local authorities. They are appointed with the agreement of both parties and they are there to answer the questions that the courts ask of them. It would be scurrilous to suggest anything other than that. I remind the hon. Gentleman of what Lord Justice Wall said after the hon. Gentleman attacked such an expert recently. He referred to the hon. Gentleman's allegations as untenable and said that the way in which the hon. Gentleman described the expert psychologist was an abuse of position. I ask the hon. Gentleman to think very carefully about what the Lord Justices have said about his own behaviour in some of these cases.

Sir Nicholas Winterton (Macclesfield) (Con): I fundamentally disagree with the Minister. The hon. Member for Birmingham, Yardley (John Hemming) is doing a great service to justice and the families whose children are unnecessarily, unjustly and wrongly taken from them. I also have such cases, and have liaised with the hon. Gentleman on the subject. Will the Minister accept his request for a meeting so that the dossier that he, I and others have produced can be discussed with her? In that way, she will see the injustice, secrecy and behind-the-door dealing involved in the current situation.

Bridget Prentice: I will be more than happy to meet the hon. Gentleman to discuss individual cases—as long as they are not in the middle of court proceedings, in which case such a discussion would be impossible. I shall be happy to discuss these things in general terms. The hon. Gentleman talks about the secrecy of the family courts, but my right hon. Friend the Lord Chancellor and Secretary of State has only recently addressed those very points in giving the media more opportunity

to scrutinise the substance of what happens in the family courts. He has done that for a number of reasons—not least to give back to the public the confidence that the family courts are acting in the best interests of the child. That is what everyone in the House and in the Court Service would want.

Mr. Henry Bellingham (North-West Norfolk) (Con): Does the Minister agree that since the abolition of the death penalty, the most drastic action that a court can take is the permanent removal of a child against the wishes of the parents? The hon. Member for Birmingham, Yardley (John Hemming) referred to various cases involving mothers with low IQs who have their children put up for adoption; even though they wanted to contest the cases, the Official Solicitor refused to do so. Does she accept that the Official Solicitor's inaction could be contrary to section 4(6) of the Mental Capacity Act 2005? Will she confirm that from now onwards, the Official Solicitor will contest all cases involving mothers with low IQs who wish to keep their children? Surely anything less would be heartless and wrong.

Bridget Prentice: These are very sensitive cases, and we should be very careful about the way we address them. The Official Solicitor's job is to act on behalf of someone who lacks capacity. Their job is not to act on behalf of the child or the local authority, but, usually, on behalf of the adult—although occasionally it could be on behalf of the child—who lacks capacity. The Official Solicitor will so act only if there is evidence before the court suggesting that the adult lacks capacity to understand the court proceedings. The Official Solicitor would be acting outwith their responsibility as an officer of the court in doing anything other than acting on behalf of the person who lacks capacity.

Probation Services

3. **Mr. Jim Cunningham** (Coventry, South) (Lab): If he will take steps to increase staffing levels in Her Majesty's probation service. [27666]

The Minister of State, Ministry of Justice (Maria Eagle): Decisions on the size and scope of staffing rest with the 42 areas and trusts that are responsible for managing probation business at a local level. Between 1997 and 2007, the total number of staff was increased from 14,000 to 21,000—an increase of almost 50 per cent.

Mr. Cunningham: I thank the Minister for that answer. Following on from what my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) said, Ministers are telling us one thing about the probation service but we get told another when we talk to people employed there. How do the Government intend to improve the probation service, and, more importantly, what has its staff turnover been?

Maria Eagle: Between 2001-02 and 2008-09, there has been a 57 per cent. increase in resources received by my hon. Friend's local probation area in the west midlands. I know that in his area there is an issue—a number of other Members have raised it in previous questions—about whether trainees who are due to finish their training will be taken on full time. My understanding is that only a small number in the west midlands know that they will be taken on at this time. The regional training consortiums are there to help, as they have done in previous years, in matching up those who finish their training with jobs available in other parts of the country, and some of the trainees who have not yet been offered jobs may find employment in that way. However, I am more than happy to meet any Member of this House—I may regret saying this—about issues that they have regarding their own probation areas.

Mr. Richard Benyon (Newbury) (Con): It surely must be a factor in probation service staffing levels that a large number of criminals are not reaching the probation service because they are not going to court but are being dealt with as out-of-court disposals. In Berkshire last year, 791 cases of actual bodily harm, 686 cases of common assault, 56 cases of sexual offences and eight cases of grievous bodily harm never even reached the courts. Will the Minister confirm that this is not some cost-cutting exercise that transfers justice to the police instead of taking it through established judicial processes of the courts and the probation service?

Maria Eagle: It is for the prosecutors and the police who investigate individual instances of crime to decide how best to proceed in any individual case. It is certainly true that some cases are dealt with by disposals instead of being brought to court, but many are brought to court.

Mr. Lindsay Hoyle (Chorley) (Lab): I think that my hon. Friend would agree that staffing levels are very important, as this is about keeping the right number of staff in the probation service. However, it is also about ensuring that they have time to deliver properly, because we have seen that a lot of the work has been done through computers rather than face to face. What can we do to ensure that we keep the right numbers of staff, especially in the north-west, and that casework is done better than it is at the moment because of the time scales that are being put on the people who work there?

Maria Eagle: My hon. Friend has hit on an important point. We want our skilled probation staff to spend as much time as possible supervising those whom they have to deal with to prevent reoffending. We think that too much time is spent in front of computers ticking boxes. We would hope to see improvements over the next couple of years of tougher financial settlements partly through increased efficiencies—for example, streamlining and simplifying processes, reducing overheads, and freeing our skilled probation staff to do what they do best, which is dealing face to face with those they are supervising.

Mr. Edward Garnier (Harborough) (Con): I begin by congratulating the hon. Lady on her promotion within the Department. Despite what she and the Secretary of State have said this afternoon, although the number of probation officers fell between 2001 and 2008, the number of managerial staff increased over the same period by 70 per cent. There was also a 77 per cent. rise in the number of less qualified probation service officers. Work loads have risen by more than a third in the past four years, yet 60 per cent. of all newly qualified and expensively trained people are not becoming probation officers.

If I may say so, the Sonnex case tells us all that we need to know about this Government's leadership of the probation service. Instead of fiddling the figures, why do they not spend the money on the front line rather than on fattening up NOMS HQ and on constant, morale-sapping administrative changes?

Maria Eagle: I thank the hon. and learned Gentleman for his welcome before I try swiftly to refute one or two of his points. I do not accept that NOMS HQ is being fattened up. It costs £74 million, which is 1.8 per cent. of the total spend on NOMS. Much of what is listed as spending on NOMS HQ is actually on front-line services, such as private prisons, prisoner escort contracts, electronic monitoring and administering the inspectorates and the Parole Board. That is not, by any definition, fattening up the HQ, so he is wrong about that.

The hon. and learned Gentleman is right to say that case loads have increased by about a third since 2001. A number of Members have referred to that. However, staffing has increased by 35 per cent.—a higher percentage increase than for case loads. Of course, it is for each local area to make the best use of its resourcing to balance the qualifications and types of staff that it has locally. There is therefore bound to be some geographical variation. We need the worst-performing to come up to the standards of the best, and encouraging that is part of what we can do from the centre. I would be more than happy to speak to any Member about how we intend to do that and how it will affect their local probation board.

Electoral Reform

5. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): Whether he plans to bring forward proposals for electoral reform. [279668]

The Minister of State, Ministry of Justice (Mr. Michael Wills): My right hon. Friend the Prime Minister confirmed last week that the Government would shortly be launching a debate on electoral reform.

Mark Lazarowicz: Having been a supporter of a fair voting system for more than 20 years, I obviously welcome any moves in that direction, and I look forward to that debate reaching a conclusion at a relatively early date. However, does my right hon. Friend accept that the alternative vote system, which appears to have support in some quarters of the Government, can be even more disproportionate in its effects than the first-past-the-post system? Will he ensure that any proposals brought forward provide a genuinely fairer voting system?

Mr. Wills: I would like very much to recommend to my hon. Friend the review of voting systems that this Department produced last year. It assessed different voting systems, and he will be well aware that we now have a whole range of voting systems in this country—a cornucopia of them—so we can assess the evidence of how they all work. The review assessed them against a number of criteria, including proportionality, voter participation, ease of voting and so on. It found that no system of voting is inherently fairer than any other, and it is certainly not the case that a proportional system is necessarily fairer than any other system.

I emphasise that proportional systems tend inherently to produce coalition Governments. That may be a good thing for some parties, but it might not be a good thing for the country. First-past-the-post systems tend to produce clear majority winners and stable government. Although they tend to hand power to the biggest minority, the practice of forming coalition Governments often tends to hand power to the smallest minority. There is nothing inherently fair about that.

Dr. Julian Lewis (New Forest, East) (Con): In endorsing that outstandingly good answer from the Minister, may I also remind him that there is no way that the British National party or other poisonous extremists could ever get elected to a democratic Parliament, other than by proportional representation?

Mr. Wills: I thank the hon. Gentleman, and I commend to him, too, the review of voting systems, which made precisely that point about extreme minority parties.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Does my right hon. Friend recognise that much of the debate is driven by the chattering classes? I can describe some of them no more politely. Parties that introduce sensible policies in the interests of the nation are best served by the voters, who know exactly what they want the outcome of a general election to be. First past the post is the only sensible system—we should do away with the flim-flam of proportional representation, which seems to take up an inordinate amount of time compared with other important matters.

Mr. Wills: As so often, my hon. Friend makes an important point. In the end, the voting system does not matter—the voters tend to get the sort of Government they want. The issues should therefore be addressed, not on the ground of partisan advantage, but on what provides a legitimate system. The voters of this country will decide that, not party politicians.

Mrs. Eleanor Laing (Epping Forest) (Con): It is a great pleasure to agree with every word that the Minister—and the hon. Member for Wolverhampton, North-East (Mr. Purchase) and my hon. Friend the Member for New Forest, East (Dr. Lewis)—said. I am delighted that the Government are delaying reform, but their latest diversionary tactic, of which I approve for the sake of diversion, seems to be setting up the National Council for Democratic Renewal. It sounds grand and full of promise, but what exactly is it? Is it just a bunch of Ministers sitting around, talking about things? To whom is it accountable? How much does it cost the taxpayer and when will it report?

Mr. Wills: Again, I am grateful for that support. I hope that the hon. Lady agrees that events in recent months have driven home the need for the House urgently to address constitutional reform across the piece. My right hon. Friend the Prime Minister has made it one of his three priorities, and the National Council for Democratic Renewal, as the hon. Lady called it, will ensure that those matters are given the prominence in Government that they deserve, and that they are driven forward to deliver the constitutional reform that the country so urgently needs.

Julie Morgan (Cardiff, North) (Lab): As a supporter of a fairer voting system, I welcome the debate that will take place. What assessment has the Minister made of the systems that are already in place in the devolved bodies? How will that inform the debate?

Mr. Wills: Again, I am grateful for the welcome for the debate, which is important. For the reasons that I have outlined, it is important that we hold it now. Again, I refer to the excellent review of voting systems, which the Ministry of Justice published in January last year. It clearly sets out an analysis of the way in which the voting systems in the devolved Administrations deliver on the various criteria against which all voting systems are assessed in the document. I think that my hon. Friend will find that it is a mixed picture.

End of Custody Licence Scheme

6. **Richard Ottaway** (Croydon, South) (Con): When he estimates the Government will be in a position to bring the end of custody licence scheme to an end. [279669]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): As I have made clear to the House, I will withdraw the end of custody licence scheme as soon as we have sufficient headroom in the prison system to do that.

Richard Ottaway: Having given 10,102 violent offenders early release, I am sure that it comes as no surprise to the Secretary of State that 1,000 offences, including three murders and two rapes, were committed by end of custody licensees who were released and should have been in prison. Does he need any more evidence to show that the scheme is a shambles, out of date and should be brought to an end as soon as possible?

Mr. Straw: As it happens, the reoffending rate on the scheme is very low. Of course, I regret any offending by prisoners, but the scheme is much more effective for dealing with the pressure on prison places than the scheme that the previous Conservative Administration adopted. One day—I was in the House when it happened—they let out 3,500 prisoners just like that, without any sort of effective supervision. Prisoners who, among other things, have committed offences of serious violence, are excluded from the scheme. If there were a Conservative Administration, who would cut the prison budget by £200 million, they would have to introduce a grand ECL scheme to cut the number of available prison places. That is what their policy means—they have not excluded Home Office or Ministry of Justice services from their 10 per cent. cuts.

Dr. Alan Whitehead (Southampton, Test) (Lab): Does my right hon. Friend have an estimate of the number of additional prison places that would be required if the end of custody licence scheme came to an end and what the cost of providing them would be?

Mr. Straw: We are committed to ending the end of custody licence scheme, because it was a temporary measure, and we are working hard to do that. We have greatly increased capacity, with one of the fastest-ever building programmes, particularly over the past three to four years, and thousands of new places are coming on stream. The average number of prisoners on ECL at any one point is between 1,200 and 1,450, so that is the headroom that we need before we can abolish it, but I am determined to do so.

Secure Accommodation

8. **Mr. Ian Taylor** (Esher and Walton) (Con): How many places there are in secure accommodation for young people in the criminal justice system. [279672]

11. **John Howell** (Henley) (Con): How many secure accommodation places for young people there were in the criminal justice system at the latest date for which information is available. [279675]

The Parliamentary Under-Secretary of State for Justice (Claire Ward): At 30 April 2009, there were 3,527 places in the under-18 secure estate. Of those, 2,895 places are currently in use.

Mr. Taylor: I thank the Minister for that answer. The young offender programme led by National Grid has done an extremely good job, with young offenders grouped together. One of the problems in my constituency, however, is that the offender substance abuse programme, for people with drug problems, does not segregate on an age basis, so young offenders who have mild drug abuse problems are put with older people who have problems with heroin. That can lead to ruin—and, in one case, it has led to death—so can the Minister look at the programme again and see whether we can segregate on an age basis?

Claire Ward: I am certainly happy to look at that issue. With the introduction of youth offender rehabilitation, there will be an opportunity for courts to take into account a number of those issues and look at them as an opportunity not to put young people in custody, but to provide a range of measures that may assist them through drug rehabilitation.

John Howell: Given that the Government are cutting the number of Youth Justice Board places, which could lead to the closure of four homes, including one that covers London and the south-east, are they backing off from their commitment to children who need secure children's home places?

Claire Ward: On the contrary: what the Youth Justice Board has done is review the number of places and look at demand. As we have already indicated, custody is the Government's last resort for young people. The Youth Justice Board has looked across all places, and determined that the demand is not there for the number places that exist currently, in order to ensure that contracts are awarded to those establishments that provide the best quality and type of accommodation for young people, as well as taking into account the cost. However, it is certainly not the Youth Justice Board's intention to deny places that are appropriate for the needs of those young people.

David Taylor (North-West Leicestershire) (Lab/Co-op): Closing secure care homes will remove the smaller homes from the system that often have better trained

staff and are the places where local services can be provided. What will happen is that young offenders will go into custody far away from their families and the communities from which they spring. Is that a great idea as far as rehabilitation is concerned?

Claire Ward: I am sure that my hon. Friend will agree, as would many hon. Members from across the House, that the most appropriate thing is to ensure that we have as few young people in custody as possible. The most appropriate thing is to try to treat those offenders in the community. That is why the number of places has been reduced—because the demand has been reduced, as we look at other alternatives and as we consider the issue that my hon. Friend has raised to ensure that younger people are moved to the most suitable places for their needs. That is what the Youth Justice Board will keep foremost in its mind when it assesses those young people.

Topical Questions

T1. [27687] **Mr. Graham Stuart** (Beverley and Holderness) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): As this is the last Justice questions under your speakership, Mr. Speaker, I should like to express my personal appreciation and that of my colleagues for your years of service and for the many personal kindnesses that you have shown me over the years.

The House will be aware that there has been considerable concern about the starting point for the minimum term for murder involving the use of a firearm, which is 30 years, compared with that for murder involving the use of a knife, which is 15 years. In the light of those concerns, I intend to review the provisions in schedule 21 to the Criminal Justice Act 2003, with a view to deciding whether to amend it, as I can do by order. I will of course consult the senior judiciary and the Sentencing Guidelines Council, and I would be very happy to receive wider representations, including from hon. Members on both sides of the House.

Mr. Stuart: Given that an inquiry into Iraq, however inadequate, has finally been announced, will the Secretary of State tell us whether there will be measures in the Constitutional Renewal Bill to require parliamentary consent for war? If so, will he explain why that could not also be achieved by resolution?

Mr. Straw: In the consultation document that was published on 3 July 2007, and in documents published alongside the publication of the draft Constitutional Reform Bill, we proposed two alternatives: one involving statute, the other using a resolution. In the event, we now judge that the consensus in both Houses is to proceed by resolution, and a draft of such a resolution has already been published. I hope that it will be approved by both Houses.

T4. [27689] **Mr. Jim Cunningham** (Coventry, South) (Lab): There have been press reports recently about judges directing juries in relation to rape cases. Will my right hon. Friend tell the House more about that?

Mr. Straw: My hon. Friend will appreciate that, although I have some responsibilities in respect of the judiciary, it is the Lord Chief Justice, the noble Lord Judge, who is head of the judiciary and has direct responsibility for it. As my hon. Friend will have seen from the press reports, however, there are clear indications that the senior judiciary wishes to ensure that better guidance is made available to trial judges on how to direct juries dealing with rape cases.

T2. [27688] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): Triaging young offenders earlier in their progress through the criminal justice system is aimed at preventing them from slipping further into a life of crime. Will the right hon. Gentleman confirm that triage will not be another ruse artificially to manage the prison population down and put the public at risk?

Mr. Straw: Yes, I will confirm that. I agree entirely with the hon. Gentleman. There is a general sentiment across the House that we should encourage the courts to use non-custodial disposals, particularly for younger offenders. That is why, as the Under-Secretary of State for Justice, my hon. Friend the Member for Watford (Claire Ward) has explained, the number of young offenders in custody has gone down by 8 per cent. over the past couple of years. We are seeking all the time to get the most effective disposals from the courts while ensuring the imperative of protecting the public.

Mr. David Winnick (Walsall, North) (Lab): Is my right hon. Friend aware that the minimum 19-year sentences passed on the three heartless thugs who murdered Ben Kinsella are not sufficient, and that his family are rightly concerned about that? Can that case be reconsidered by the Appeal Court? Longer minimum sentences of 25 or 30 years would be far more appropriate.

Mr. Straw: Any reference to the Court of Appeal in respect of those sentences is a matter for my right hon. and noble Friend the Attorney-General, exercising her quasi-judicial discretion on a reference to the Court of Appeal in respect of what she might judge to be an unduly lenient sentence. I will of course ensure that my hon. Friend's views are passed on to her. That case has raised the wider issue of the starting points for minimum terms provided by section 269 and schedule 21 to the Criminal Justice Act 2003 and, as I have already said, there is a power in section 269 to amend schedule 21 by order. As I have just announced to the House, I intend to review the provisions of that schedule in the light of general concerns, to see whether they still command public approbation or whether they ought to be amended, as I suspect they will need to be.

Sir Alan Beith (Berwick-upon-Tweed) (LD): What will be the Secretary of State's response to the Government's resounding defeat yesterday in the House of Lords over political donations by tax exiles? Is he not now regretting that he did not go ahead with the balanced package of proposals put forward by the Constitutional Affairs Committee and developed by Hayden Phillips?

Mr. Straw: As with any decision by the other place, we will of course consider it and consult other parties. I sometimes invite this House to take an opposite view

and at other times recommend the same view. Some significant practical issues are raised by the right hon. Gentleman's question, and they require consideration. As for Hayden Phillips's proposal, unless my memory has totally failed me, there was never any intention for the scheme approved in the other place yesterday to become law.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): My right hon. Friend will be aware that the Scottish Assembly recently introduced legislation to make pleural plaques a compensatable condition. Now that the consultation process is completed, when will he make his statement and will he follow the Scottish route?

Mr. Straw: I understand my hon. Friend's frustration about the time it has taken to come to a view on this subject, but he will also appreciate that we have to deal with a decision—a unanimous decision—taken by the Law Lords in October 2007 and with subsequent medical evidence. We hope to reach a decision and to announce it as quickly as possible, although I obviously cannot anticipate what it will be.

T3. [279689] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): A number of my constituents have expressed concern about the apparent lack of openness in the Government's plans for three mini-Titan prisons, particularly when they have only recently discovered that Basford near Crewe is one of the locations under consideration. Will the Secretary of State confirm how local residents will be involved in the decision-making process, and when we are going to have a decision?

Mr. Straw: When I made my statement at the end of April, I announced two sites, neither of which was the Basford marshalling yard, just south of Crewe. I am looking carefully at better ways of involving local communities at an earlier stage when it comes to the siting of prisons. It is a difficult issue of balance because many communities, although not all, are inherently opposed to having a new prison—until they have got it, when they often want to hang on to it. I accept the burden of the hon. Gentleman's point, which is that there are better ways of involving communities at an earlier stage.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): The Calman commission yesterday published its far-reaching proposals for devolution. Given that they have all-party support—from Labour, Liberal Democrats and the Conservatives—will my right hon. Friend introduce proposals to implement the commission's recommendations as soon as possible?

Mr. Straw: I will certainly pass on my hon. Friend's helpful suggestion to my right hon. Friend the Prime Minister.

T5. [279691] **Ann Winterton** (Congleton) (Con): Why are there so few drug courts, bearing in mind that they were established a few years ago? If they indeed break the cycle of reoffending and drive down drug-related crime, why have they not been established nationally, particularly given that the UK has the worst record in Europe for drug offences?

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I welcome the hon. Lady's support for dedicated drugs courts. We started off with two pilots; we have now extended them to another four, and we are receiving very positive indications from them. We want to evaluate all the models on the six different sites before taking any decision on further implementation. Like her, I believe that what we have seen so far of dedicated drugs courts augurs well for the future in our battle against drug addiction.

T8. [279695] **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): Apparently, as the Secretary of State will know, there is cross-party support for the introduction of a power of recall in relation to Members of the House of Commons. With that in mind, will he tell us when he will be in a position to present proposals, and can he explain why Labour peers were whipped to vote against the idea last night?

Mr. Straw: The issue of recall is being discussed by the cross-party group which is considering the idea of a parliamentary standards authority and related matters. I have been chairing the group, and it is holding its second meeting this week. As for the wider issue of recall, the hon. Gentleman may be aware that we included in the second Green Paper on Lords reform proposals—which had been broadly agreed with all the parties—for recall for the second and subsequent terms that it is envisaged that the new Members of the second Chamber would serve.

T6. [279693] **Andrew Selous** (South-West Bedfordshire) (Con): The 12,000 or so foreign prisoners in United Kingdom jails were recently costing the taxpayer around £400 million a year. Will the Secretary of State change the law so that many more of them can serve their sentences in their home countries?

Mr. Straw: The law itself does not really need to be changed. There are clear prisoner transfer agreements. However, the agreement of the receiving state as well as that of the sentencing state is required.

The proportion of our prisoners who are foreign nationals is low compared with those elsewhere in Europe. It is about 14 per cent., which compares extremely well with 60 per cent. in Austria and well over 30 per cent. in most other major European countries.

T7. [279694] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): The Justice Secretary's own budget proposes a £6.4 million cut in the Thames Valley probation service over the next three years, with a potential 140 job losses. Does he anticipate that reoffending rates will rise or fall in Milton Keynes over the next three years?

Mr. Straw: First, those figures are inaccurate. Secondly, I do not anticipate but am completely certain that if there were a Conservative Government, there would be a 10 per cent. cut in probation services over the next two years. There would also be a 10 per cent. cut in the prison programme, with £200 million slashed from it, and hundreds of millions of pounds would be slashed from the police service. That is because the Conservative party has not exempted either Home Office or Ministry of Justice services from its cuts, which would undoubtedly lead to an increase in both crime and reoffending.

T9. [279696] **Mr. Andrew Robathan** (Blaby) (Con): The National Council for Democratic Renewal sounds like something out of North Korea, and I can promise the Justice Secretary that it will be parodied in *Private Eye* this week.

I have a surprisingly high regard for the Justice Secretary, notwithstanding his rant against the Conservatives. Can he really put his hand on his heart and say that he believes it is appropriate for an unpopular Government in the dying stages of a discredited Parliament to present serious proposals for constitutional change? Does he not think that it would be better for a new Parliament to take such action as early as possible?

Mr. Straw: I shall ignore the hon. Gentleman's slightly loaded adjectives. I think it entirely appropriate for a fine, upstanding Government, full of vigour, to present these proposals. Let me make a further, even more serious point. It was the House of Commons—including Members in all parts of the House—which allowed this mess on expenses to develop, and it is our responsibility, not that of the next Parliament, to sort it out before the election rather than afterwards.

Digital Britain

3.34 pm

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): With permission, Mr. Speaker, I shall make a statement on the publication of the "Digital Britain" report.

Britain's digital industries are among the most successful in the world. The global technological revolution means that if we make the right decisions now, they will continue to grow and Britain will continue to prosper from them. The report, which is part of the Government's active industrial policy, spells out how we can make the most of the opportunities today and in the years to come.

The report covers four broad themes. First, we will make the most of the digital revolution only if we have the right infrastructure. Just as bridges, roads and railways were the foundations of Britain's 19th-century industrial strength, our digital communications infrastructure will help power our future success. Businesses, other organisations and individuals want access to high-capability, high-speed networks, both fixed and mobile. This is key to Britain's competitiveness.

As a first step, we are reaffirming our commitment to ensuring universal access to today's broadband services, delivered through a public fund, including money that has not been used for digital television switchover. But we also need to ensure that Britain has the best next generation fixed broadband. Other countries are already investing heavily in this. Here, we have already seen an energetic market-led roll-out of next generation fixed broadband, but the economics of building what are essentially new networks mean that if it is left to the market, true super-fast broadband will reach only two thirds of homes and businesses over the next decade. The other third would be left behind.

Telecommunications prices for the consumer have fallen significantly in recent years and are expected to fall further as technology advances, so we have concluded that the fairest and most efficient way of ensuring that people and businesses are not left out is to use some of that saving in the form of a small levy on all fixed lines to establish an independent national fund, which will be used to ensure maximum next generation broadband coverage.

To complement improvements to fixed broadband, we also need to modernise our wireless network. This report sets out plans for the structured release of sufficient high-quality spectrum Europe-wide, for the creation of the next generation of mobile networks. This will ensure that the UK is among the earliest countries to deploy these networks and that UK consumers continue to enjoy the benefits of vigorous competition. Today's report also sets out our intention to upgrade all our national radio stations from analogue to digital by 2015, with DAB firmly placed as the primary platform.

Having the right infrastructure will not, however, be enough unless everyone can use, and benefit from, the opportunities that new technologies offer, so participation is the second big theme in today's report. Technological progress reduces costs, so affordability is partly addressed by the market. However, we are complementing this with Government action. Our £300 million home access scheme gives children in low-income families access to computers and the internet. As well as the ability to afford the technology, people need capability and skills. We address these in a number of ways in this report. I am pleased to announce today the appointment of the digital entrepreneur Martha Lane Fox as our new digital inclusion champion. We are also publishing today the report by my noble Friend Baroness Morris of Yardley on digital life skills.

The third key theme of "Digital Britain" is content—sustaining and strengthening our creative industries and securing plural provision of key public service content in the digital age. The ease with which digitised content can be copied makes it increasingly hard to convert creativity and rights into financial reward. The Government believe that taking someone else's property and passing it on to others without consent or payment is tantamount to theft. Developing legal download markets will best serve both consumers and the creative industries. We will also legislate to curb unlawful peer-to-peer file sharing. Ofcom will be given a new duty to reduce this practice significantly, including two specific obligations: the notification of unlawful activity and, for serial infringers, identity release to enable targeted legal action by rights holders. We also propose technical measures by internet service providers, such as bandwidth reduction for serial infringers, if the other measures prove insufficient.

We will also implement a new, more robust system of content classification for the video games industry, building on the pan-European game information system with a strong UK-based statutory layer of regulation; that will ensure the protection of children, now and in the future.

I now turn to the evolving role of the BBC and Channel 4, and the need to protect public service content, particularly in the nations and regions of our country. In the digital age, a strong, confident and independent BBC is more important than ever. The Government support multi-annual licence fee settlements for the BBC, so that it can plan ahead and act independently of day-to-day political pressures, but we also believe that it is in the BBC's own interests to evolve into more of a public service partner with other media organisations, and to see itself as an enabler of Digital Britain. We have been encouraging discussions about a joint venture between BBC Worldwide and Channel 4, which we believe would benefit both, as well as securing the future of Channel 4. Those talks are ongoing, and we are ready to help in any way we can.

Members of this House have repeatedly said that they believe that strong local and regional news, including a plurality of provision, is essential for the health and vibrancy of our democracy—I agree. The recent public service review by the regulator, Ofcom, also highlighted the importance of news in the regions and nations. We welcomed its report and the BBC's response supporting partnerships. Partnerships are very welcome, but they may well be insufficient to meet the scale of the challenge. We believe that that will require a secure and sustainable funding stream.

The licence fee is the existing major intervention for content. There is nothing in either the BBC charter or legislation to say the BBC must have exclusive rights to it. Independent of the level at which the licence fee is set after 2013, we will consult on the option of sharing a small element of it post-2013 to help ensure high-quality plural provision, particularly in the regions and the nations. Subject to that consultation, we will use some

[Mr. Ben Bradshaw]

of the current digital switchover underspend to fund pilots of this model in Scotland, Wales and one English region between now and 2013. We have, however, made it clear to the BBC and others that we are open to alternative proposals, should they wish to make them during the consultation. Alongside "Digital Britain" we are publishing a range of related documents, including the outcome of the review by the Office of Fair Trading of the media merger regime and local and regional media.

The fourth key theme in "Digital Britain" is the continued modernisation of government itself. The digital revolution has huge potential to improve the services of government and public bodies, and to reduce costs. It raises questions of data security and how government, as a major buyer in areas such as health and education, can encourage UK-based research and development, open standards and interoperability. The report sets out how public services will be delivered primarily online and electronically, thus making them quicker and more responsive to the public while saving money for the taxpayer.

This report will help accelerate Britain's recovery from the biggest economic shock the world has seen since the second world war, and it is a central part of our industrial strategy. It will be key to our economic growth, social cohesion and well-being as a nation, and I commend it to the House.

Mr. Jeremy Hunt (South-West Surrey) (Con): I thank the Secretary of State for giving me prior notice both of the report and of his statement, and I congratulate him on giving his first statement to the House in his new role. With Lord Carter's surprising and rather hasty departure from the Government, it is now the Secretary of State, less than a fortnight into the job, who must pick up the baton in an immensely complex but vital area for the economy. I therefore hope that he recognises that I do not mean it personally when I say that today's report is a colossal disappointment.

The introduction, on page 3, says that the report seeks to achieve seven things. So what are they? The first is an "analysis", as is the second; the third is a "statement of ambition"; the fourth is a "restatement" of need; the fifth is an "analysis"; the sixth is a "framework"; and the seventh is a "review". Where in all of that is a single action?

There is one area in which the report has excelled itself, and that is consultation. The interim report published in January announced eight consultations, and this one announces 12, plus one new quango. That is surely government of the management consultants for the management consultants by the management consultants.

Britain has huge competitive strengths in the digital industries, particularly in the production of digital content, but to embrace these opportunities we need a proper digital infrastructure. Will the Secretary of State explain why, when America, France and Japan are laying fibre optic cable to thousands of homes, Britain's operators have barely started to think about it? Why have the French Government been able to create competition between internet service providers to lay fibre in France Telecom's ducts while the British Government have stood by as BT makes minimal investment, protected by a monopoly over the local loop?

Today's solution, according to the Government, is a broadband tax, but rather than taxing, should the Secretary of State not be seeking to stimulate investment through the regulatory structure? The cable revolution happened without a cable tax; the satellite revolution happened without a satellite tax. Everyone recognises that some public investment might be necessary to reach the more remote parts of the country, but simply slapping on an extra tax is an old-economy solution to a new-economy problem. Unfortunately, the numbers do not add up either. The tax will apparently raise about £150 million per annum. Will the Secretary of State confirm that at that rate it will take 20 years to cover the estimated £3 billion cost of the broadband roll-out?

There are some things that we welcome. We welcome the decision on DAB. We welcome the moves to tackle piracy. However, having heard promises to tackle that problem four times in four years, we have today been promised only a consultation. Will the Secretary of State make a commitment that any required legislation will be laid before the House before the next election, so that it can be sorted out once and for all? We also support the roll-out of a universal 2 megabits broadband connection by 2012—probably the single most important practical outcome of today's statement. That is all supposed to be funded by the money not used for digital switchover, but given that only 5 per cent. of transmitters have switched over—none of which covers a major urban area—will the Secretary of State tell us what will happen if costs are higher when the other 95 per cent. of transmitters are switched over?

Let me turn to regional news. Does the Secretary of State accept that the traditional model for regional news—based on the old ITV transmitter regions—has failed, and that what people really want is not regional news but local news? Why does Birmingham, Alabama have eight local TV stations when Birmingham in the UK, four times its size, has none? Why is the Secretary of State using the public's money to prop up a failed system when people in his Exeter constituency have to watch the news from Plymouth, and people in my constituency in Surrey have to watch news from Southampton? In America, much smaller cities have not just one but a whole clutch of local news channels, greatly enhancing a sense of community and vibrant local democracy. None has access to a licence fee. Instead of putting yet more of a burden on taxpayers, why are the Government not embracing a digital era version of syndicated local TV—something that could also be a lifeline to our local newspaper industry?

On the licence fee, this afternoon's statement shows breathtaking inconsistency on the part of the Government. Less than a month ago, the Secretary of State's predecessor insisted at the Dispatch Box that the BBC needed an inflation-busting £68 million per annum rise in the licence fee to fulfil its core purposes. So, why is the Secretary of State saying today that it has a spare £100 million a year to give to other broadcasters? If that money really is spare, should we not first consider giving it back to licence fee payers, which is what nearly three quarters of them have said that they want?

There are some bright spots in the report, but overall it does not feel like an agenda for a new digital economy. It reads more like a top-down attempt to protect and

prop up old business models using yet more public cash. The Conservative Government deregulated telecoms and launched Channels 4 and 5. They unleashed the cable and satellite revolution. Instead of digital dithering from a dated Government, we need new-economy dynamism from a new Conservative Government.

Mr. Bradshaw: I am glad that the hon. Gentleman mentioned the role that Lord Carter of Barnes has played in this report, because I omitted to thank and commend Lord Barnes on his excellent piece of work.

Contrary to what the hon. Gentleman said, the report contains 78 action points. In the main, we are consulting only on matters that require primary legislation, and I hope that hon. Members on all sides will think that that is generally good practice. However, we are consulting on one thing that does not require primary legislation, and that is the idea of sharing some of the BBC's licence fee. I acknowledge that we have decided to do that, because it is quite a big move of principle—but if the hon. Gentleman does not think that we need to consult on it, he can just send me a letter saying that he agrees with the proposal. That would be very helpful indeed.

The hon. Gentleman implied that there was no need for public investment in the next generation of broadband roll-out. I appreciate that he has not had time to read all 250-odd pages of the report yet, but when he looks at it more closely he will see that virtually every other country in the world is using public funds to help ensure the provision of good-quality next generation broadband. Australia is using £22 billion sterling of taxpayers' money to that end. By no means are we saying that the amount of money that we intend to use from the digital underspend and the levy on fixed lines will be sufficient in itself, but we do believe that it will be enough to pump-prime as the market would not otherwise do—that is, to complete the final third of provision for homes and businesses. That final stage of provision will cover many people in the rural constituencies of Opposition Members.

The hon. Gentleman asked about the timing of legislation. As he will appreciate, I am not going to comment on the next Session in Parliament: suffice it to say that this Government have made it clear that the digital revolution is one of our main priorities. As I said in my statement, it is a major part of our industrial strategy. He was wrong to say that not one urban area in the country has so far enjoyed digital switchover, because Exeter has. *[Interruption.]* My constituents would be very offended if their city were to be described as anything other than a major urban centre. Exeter recently became the first digital city in the country, and very successful the switchover was too.

Contrary to what the hon. Gentleman says, we anticipate that the rest of the digital switchover will go very smoothly. We are confident about that. We think that we are likely to be able to make the savings from the underspend that we have projected, and in fact believe that that may even be a conservative estimate.

The hon. Gentleman also said that we are ignoring local news in favour of regional news. Far from it: the model that I have just outlined would enable exactly the sort of local news provision that he described, and not just by the independent television providers who will be invited to bid for this new pot of money. The introduction of digital radio will free up radio spectrum for local and community radio stations, which will be able to provide exactly the sort of very local news and content that he advocates.

The hon. Gentleman said that instead of spending the digital underspend on the vital protection of the public service content of news in the nations and the regions, he would rather give the 75p a week back to the licence fee payer. All the way through his response, however, where he agreed with us about outcomes, he was prepared to will the ends but not the means.

Mr. David Blunkett (Sheffield, Brightside) (Lab): May I thank you personally, Mr. Speaker, for the courtesy and kindness that you have shown me over the years that you have occupied your post? I also congratulate my right hon. Friend the Secretary of State on his new appointment.

Does my right hon. Friend agree that for the digital highway, as for the physical highway, people need a vehicle, they need training, and they need to know the rules of the road—and that above all, they need awareness of risk? The money left over from the digital switchover appears to be dwindling, but given the need to keep children safe and to protect individuals and companies from crime, fraud and the dangers of cyber attack, does he agree that we could give some of it to the new digital champion, local authorities and educational institutions? The money could be used to raise awareness of the risks and to educate the population as a whole, because the opportunities being opened up must be matched by tackling the risks that undoubtedly exist in this new digital age.

Mr. Bradshaw: Yes, I entirely agree with my right hon. Friend. Again, he may not have had time to look at the report yet, but when he does he will see that we have committed up to £12 million of the surplus from digital switchover to be used for a communications programme and targeted outreach as part of the national plan for digital participation.

Mr. Don Foster (Bath) (LD): Ensuring the success of our creative economies will be critical in rebuilding our economy, as the Secretary of State says. I hope that he will accept that we have a lot of ground to make up. His statement is a step in the right direction, but too many issues remain unresolved, such as the possible merger of Channel 4 and BBC Worldwide, and the inclusion of a return path in digital boxes. Why, for example, has he not even addressed the issue of the governance of the BBC? Surely we need an independent body, not a regulator that remains within the BBC. However, it is welcome that we now know who is to classify video games, that tax breaks for that industry are now on the agenda, and that we at last have a date for switchover to digital radio.

As the Secretary of State said, protecting intellectual property, such as that in films or music, is vital. Millions of pounds are lost through illegal file sharing, and it must end. New commercial models, such as yesterday's welcome announcement of the deal between Universal and Virgin, will help, but I believe that the proposed statutory measures are needed, too. However, can he explain whether internet service providers will have legal indemnification for taking the action that they will be required to take, and who will bear the costs? Does he at least acknowledge that, now that they have delayed

[Mr. Don Foster]

action in that area, there is very little chance that the Government will meet their 2008 promise to cut illegal file sharing by 70 per cent. within two or three years?

Overall, the proposals for broadband have a far greater reach than many people expected, but I hope that the Secretary of State will accept that those in remote rural areas will be disappointed, as they will have to wait until at least 2017 before they get the benefits of super-fast broadband. Should not far more be done to drive forward initiatives such as smart metering, e-democracy and digital health care, to stimulate end user demand, and hence investment? Given the real fall in the cost of telecommunications, the proposed levy on all fixed lines to pay for near universal super-fast broadband is imaginative and broadly welcome, but even though it is a small sum, it is still a poll tax, so I hope that he will consider possible exemptions, not least for pensioners.

Finally, I strongly welcome the plans to support regional and local news. I have no problem with the BBC's involvement in that, any more than with its role in helping with the roll-out of broadband, but I am deeply concerned about how that is to happen. The Secretary of State has avoided calling it top-slicing of the licence fee, but that is what it is. Whatever the language used, top-slicing sets a precedent that undermines the BBC's independence. What guarantees can we have that in future the Government of the day, especially when they are unhappy with something that the BBC is doing, will not take money from the licence fee to fund their pet projects? Surely the BBC should be involved at all stages, through the establishment of a partnership fund within the BBC, and a clear remit for the BBC to engage in such partnerships. Overall, there has been some good progress, but with 11 or 12 more consultations still to come, there is clearly much still to do.

Mr. Bradshaw: There was a lot in that question. Let me begin with the hon. Gentleman's last point, because it was related to his first, about the governance structure of the BBC. His idea of a partnership fund is interesting, and is related to the point that he made at the beginning about the governance framework for the BBC, which is only two and a half years old; we have had an exchange in the Chamber about that previously. It is certainly a proposal that I invite and encourage him to make as part of his party's response to the consultation.

The reason I do not like the term top-slicing is that I think that most people out there cannot picture in their head what it means. If we talk about sharing something, it is more obvious what is meant; I think that that is a better way of describing the proposal. We will, through legislation if necessary, ensure that the proposal relates to a contained percentage of any future licence fee settlement.

I welcome the hon. Gentleman's welcome for the measures to protect regional and local news. I note that he describes the levy as "imaginative", and I also welcome his welcome for that. I can assure him that we are considering exemptions for vulnerable people; again, he and other hon. Members may wish to make that suggestion clear in their response to the consultation.

It is not just people who live in rural areas who are disadvantaged now and will be in future when the roll-out of next generation broadband happens. There are clusters in some urban areas and in quite a lot of market towns of people who are equally disadvantaged. They will be helped in the meantime by what we have announced today about the mobile phone spectrum, so I hope they will not have to wait until 2017 for the comprehensive improvement in the service that the hon. Gentleman describes. They will certainly be in a much better place, thanks to the announcement that we have made today about using the fund to help support the spread of broadband elsewhere.

The hon. Gentleman made one other point, which I am afraid I have forgotten, but I will write to him about it.

Janet Anderson (Rossendale and Darwen) (Lab): I, too, welcome what the Secretary of State has said about support for local and regional news. I know that it will be greatly welcomed in my constituency. He mentioned that there would be three pilots, one of which would be in an English region. May I urge him seriously to consider the north-west region, given its record of commitment to and delivery of good quality local news coverage?

Mr. Bradshaw: I expect that competition among the English regions to be part of the pilot will be very stiff indeed, but I note the representations that my hon. Friend has made and I am sure that others will, too.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Although I share some of the reservations expressed by my hon. Friend the Member for South-West Surrey (Mr. Hunt), I welcome a number of measures proposed in the report, in particular support for regional news programming, for tackling illegal file sharing, for assisting commercial radio and for relaxing the restrictions on newspaper mergers. Does the Secretary of State agree that all these matters are already very urgent? If we move to a world with ever-increasing broadband speeds reaching more and more households, that will increase still further the economic pressure on traditional media and will make the problem of online piracy even greater, so does he acknowledge that the players in the industry—all those involved—have been discussing these issues for months, and that any consultations that are to take place need to happen very quickly indeed? If there is to be legislation, and I believe there should be, we need to get that on to the statute book as fast as possible and before the general election.

Mr. Bradshaw: Yes, I certainly agree with that. The time between now and the next parliamentary Session gives us a chance for proper consultation, as hon. Members in all parts of the House would expect when considering legislating on some of these aspects. As I say, the only aspects on which we are proposing consultation, with the exception of the sharing of the licence fee for regional and local news, are those for which we require primary legislation. We want to get on with that as quickly as possible. We hope to publish a consultation document within the next two weeks, and hope that the consultation will be over in the middle of the summer recess, which will give us plenty of time, assuming we get a Bill in the next Session, to make sure that it is on the statute book before the election.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I welcome our support for regional and local news, but my question is about mathematics. As I understand it, 95 per cent. of the nation has switched over to digital. Given the £600 million in the initial digital switchover fund, £[illegible]0 million could be unspent. How much of that does my right hon. Friend intend to use for the measures that he announced today?

Mr. Bradshaw: I am not a mathematician—I got only as far as GCSE—but I do not think my hon. Friend's figures are right. Whereas the hon. Member for South-West Surrey (Mr. Hunt) underestimated what was likely to be left over from the digital underspend, my hon. Friend's estimate sounds rather high to me. The figures that we intend to spend on both the roll-out of current generation broadband and on the pilots for regional and local news, assuming that they go ahead, are in the report. From memory, they are about £200,000 for the first and the rest for the second.

Lembit Öpik (Montgomeryshire) (LD): Is the Minister aware that Michael Grade has said in the past four years that

"the idea of contestability, of top-slicing the licence fee . . . would break the clear and well-understood line of accountability between the BBC and the licence-fee payer. . . It would pose a threat to the political independence of the BBC, handing a punitive fiscal sword of Damocles to any unscrupulous government".

If the former head of the BBC and current head of ITV has publicly and passionately opposed top-slicing in the past four years, why on earth do the Government take a different view?

Mr. Bradshaw: I do not agree with him.

Mr. Speaker: Is that it already?

Several hon. Members *rose*—

Mr. Speaker: I call Dr. Gavin Strang.

Dr. Gavin Strang (Edinburgh, East) (Lab): Does my right hon. Friend agree that the BBC is a truly great British institution and achievement, funded by the licence fee? There is bound to be real apprehension, therefore, at putting in place an arrangement post-2013 whereby an element of the licence fee—albeit small, as he said—goes to other organisations. It could be an arrangement that ultimately weakens the BBC itself.

Mr. Bradshaw: As a former BBC employee, I agree with my right hon. Friend. The BBC is the best broadcasting organisation in the world, and it is one of this country's institutions, along with the national health service, of which the British people are most proud—in all surveys, whenever they are asked. However, I sincerely suggest to my right hon. Friend that the BBC has a far stronger argument for retaining the licence fee in the long run if it is prepared to share it with organisations and to help us address the problem, which many Members from all parts of the House have raised, about the non-viability of any plurality in local and regional news coverage without that level of support.

If my right hon. Friend is worried about a principle being broken, he could have made that argument three years ago, when we decided to use a portion of the licence fee to help fund digital switchover. The BBC did not fight a battle over that; it was a very sensible thing for us to do, and Members from all parties signed up to it. I do not accept his argument, but I am a great defender of the BBC. It is in the BBC's interests to share some of the licence fee and to see itself as an enabler, rather than to feel that it and only it should have exclusive recourse to the licence fee.

Peter Luff (Mid-Worcestershire) (Con): I say a provisional thank you to the Secretary of State for what appears to be a commitment—buried deep in the document—to fund the cost of the programme-making and special events sectors during the spectrum reallocation process. I am grateful for that. However, I am sceptical about imposing a tax on an old technology to fund a new technology, and there are some important questions to be asked about the process that is used to achieve the objective, which we share, on increasing speed and access to broadband. I am sure that he will welcome the decision, taken provisionally this morning and to be confirmed shortly, of the Select Committee that I chair to launch an inquiry into that aspect of "Digital Britain".

Mr. Bradshaw: I warmly welcome that, and I warmly invite anyone in the House to come up with a better idea of how we can fund the roll-out. The issue has been given considerable thought over the past few months by some of the best brains in the sector, and this is the solution that we have come up with. If the hon. Gentleman and his Committee or, indeed, any other Member would like to come up with a better solution, we would be very interested to hear it.

Judy Mallaber (Amber Valley) (Lab): I welcome my right hon. Friend's reference to the safety and well-being of children through the proposals on the classification of video games, but will he take the time to meet the Children's Charities Coalition on Internet Safety, which on Monday launched its digital manifesto, to see how that might tie in with our proposals on a digital Britain, particularly to create a safe and exciting environment on the internet for children and young people? The coalition looks at issues such as child abuse images, dangers to children online, online access to age-restricted goods, advertising and the use of social networking sites. If there is to be an exciting future, we need to take on board all those issues, so I hope that my right hon. Friend will take the opportunity to talk to CHIS about its manifesto and how we can implement that, too.

Mr. Bradshaw: Either I or the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Stevenage (Barbara Follett), would be very happy to meet my hon. Friend and a delegation if she would like to bring one. She will find that its members will welcome the measures that we have announced today. They implement the recommendations of Professor Tanya Byron's report last year, and they have been widely supported by the sort of interest groups that my hon. Friend has mentioned. I should be happy to meet the coalition to discuss the issues further.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): On the copyright tribunal, there are some very interesting recommendations—hidden away in the report—on orphaned works and collecting organisations' ability to

[Mr. Phil Willis]

re-license them. Will the Secretary of State tell the House, first, where that re-licensing money will go and, secondly, why he has gone for a self-regulating ombudsman rather than a statutory body?

Mr. Bradshaw: I shall have to write to the hon. Gentleman with the answers to those two questions.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): In congratulating my right hon. Friend on his appointment, may I point out to him that in an era when all commercial broadcasting is fragmenting into niche broadcasting and will continue to do so, top-slicing the BBC licence fee will neither ensure the long-term viability of commercial services nor solve the important problem of regional news provision on ITV? Indeed, it will impair and undermine the stability of the BBC, which in that area is even more important than ever. That being so, many Government Members will oppose top-slicing.

Mr. Bradshaw: I am sorry that my right hon. Friend takes that approach; I hope to be able to convince him over the next few weeks.

Mr. Tim Yeo (South Suffolk) (Con): Does the Secretary of State agree that his statement leaves a question mark over the funding of Channel 4 in view of its contribution to the diversity of television and public service broadcasting in particular? Does he also agree that ensuring that Channel 4 has a reliable, independent income is an important aim? If the talks between Channel 4 and BBC Worldwide break down, or do not come to a satisfactory and early conclusion, will he intervene to make sure that Channel 4 is protected?

Mr. Bradshaw: As we make clear in the report, we are keen to see a solution. We think it important that Channel 4 should survive as an alternative public service broadcaster. We also believe that the joint venture with BBC Worldwide represents the best model of a partnership that could help preserve Channel 4, but not the only one. We think that Channel 4's remit will have to change; we have made that clear, and it has accepted that. However, if the joint venture with BBC Worldwide does not come off, we will be supportive and active in trying to secure an alternative solution for Channel 4. That will guarantee what the hon. Gentleman is looking for.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): I would like to put on record my personal thanks to you, Mr. Speaker, for the generosity of spirit that you have shown while you have occupied that Chair.

Does my right hon. Friend agree that in view of the internet's importance to everything that we will do in the future, and given its international ramifications, traditional legislation and bureaucratic institutions cannot meet the challenge of its governance? Does he agree that an agile partnership that involves Parliament as well as the Government and the industry is necessary if we are to succeed in making the UK the safest place in which to do business online?

Mr. Bradshaw: Yes, I do—and that is exactly what the document seeks to do.

Pete Wishart (Perth and North Perthshire) (SNP): We can all support the intention to improve the UK's digital infrastructure, but surely we should be doing more to protect and support creators, artists and the creative industries—particularly those on the front line of digital innovation. On piracy, does the Secretary of State really think it sufficient to ask reluctant ISPs to write to serial offenders and then perhaps threaten them with slower internet rates? Surely we should be looking for bolder, innovative solutions. When will we do something to challenge the culture in this "something for nothing" digital Britain?

Mr. Bradshaw: That is not a fair reflection of what is in the report, and when the hon. Gentleman has time to read the piracy section in detail, he will accept that it is not. One always has to strike a balance between over-regulation—using a sledgehammer to crack a nut—and introducing effective measures. We believe that the measures in the report are proportionate and will be effective. The evidence from other countries is that notification and identification have a dramatic impact on the amount of illegal file sharing.

However, as I said in my statement, we are not ending things there. We are introducing legislation; we intend to introduce legislation that will enable internet service providers to suspend or narrow bandwidth for serial offenders. We are not going down the route that France has taken. As I am sure the hon. Gentleman knows, that has not worked; it is being challenged in the courts and the French are having to look at the issue again. Furthermore, we address such issues through the civil law, not the criminal law. The hon. Gentleman would not want us unnecessarily to criminalise a large number of young people.

Mr. John Grogan (Selby) (Lab): Ofcom, the regulator, has estimated that the residual value of the ITV licence will be £45 million after the digital switchover, because of the use of the spectrum and ITV's position at No. 3 on the electronic programme guide. Furthermore, the value of advertising in the regional news slot is estimated at about £25 million. Why cannot that £70 million be used to fund regional and local news, and partnerships with local newspapers, after the digital switchover? If the money is not to be used for that purpose, for what purpose will it be used?

Mr. Bradshaw: We are certainly looking at the role that advertising could play to help supplement the support that the model will give to alternative local and regional news provision, as part of a plurality including the BBC provision. However, if my hon. Friend is suggesting that in the current—or even future—climate of digital Britain, ITV will be able to afford to sustain the level and quality of news provision that it has hitherto, I should tell him that not many people share that view. Nevertheless, if he can show, through evidence, a viable alternative or an addition to the measures that I have outlined today, we will of course be happy to consider it as part of the consultation.

Christopher Fraser (South-West Norfolk) (Con): In making a bid for East Anglia, may I ask whether the Secretary of State accepts that in very rural areas such as south-west Norfolk, broadband is not readily available, which makes people second-class citizens in this digital

revolution? Will he make a special case for constituents such as mine, who need a level playing field if they are to compete in this technological world, given that mobile telephony is no alternative for many of them?

Mr. Bradshaw: I entirely agree that there are particular challenges in rural areas; as somebody who was brought up in Norfolk and now lives in Devon, I very much appreciate that. That is why I am all the more surprised that the hon. Gentleman's Front Benchers are not prepared to will the means to deliver exactly what, I think, both he and I want to achieve.

John Robertson (Glasgow, North-West) (Lab): My right hon. Friend touched on social exclusion. I raised this at the time of the interim report, and it is very important. Glasgow has the lowest uptake of broadband of any city in the country. Does he agree that deprived areas, in particular, need extra help? What does he promise to do for areas such as Glasgow?

Mr. Bradshaw: The new champion, Martha Lane Fox, will examine that issue, with the support of a considerable amount of money from the digital switchover. I suggest that my hon. Friend seeks an early meeting with her; I am sure that they will get on very well.

Steve Webb (Northavon) (LD): Given the rapid speed of technological progress, the goal of 2 megabits per second, although it would be manna from heaven today, is likely to look obsolete in three years' time, especially if two thirds of the country is getting 20 or 25 times that speed. Should not the universal service goal be much more ambitious given not where we are now but where we are likely to be in three years' time?

Mr. Bradshaw: We have gone for 2 megabits per second because we had to decide what was the best value for money in terms of the investment that is required for today's technology. What we will achieve by 2012 will be at or near the level of the best in Europe, but, as is acknowledged in the report, at the same time we need to get a move on with next generation broadband to ensure that that is universal. The two developments will be running in parallel. There will always be a trade-off in the amount of resources that we commit to ensuring a better, more capable service for today's broadband, and we think that that is about the right level. It is probably sensible to aim at the level at which one can, for example, download iPlayer.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Does the report recognise the importance of ensuring that all our schools and colleges can not only access the next generation of broadband but can afford to do so on behalf of the children they teach?

Mr. Bradshaw: I think I can give my hon. Friend that assurance, but I will write to her, perhaps jointly with my right hon. Friend the Secretary of State for Children, Schools and Families, with clarification. She will be aware that the recent review of the primary school curriculum recommended that IT become part of the core curriculum, along with literacy and numeracy. Where the £200 million fund that I mentioned has been piloted, it has been very successful in providing access for children from less well-off families, at home and in school. However, schools themselves will of course have to be a priority.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): The Secretary of State rightly said that if it were left to the market, a third of the country would not receive super-fast broadband; I rather suspect that my part of the world would be part of that third. Is he aware that many remote rural economies have been built on new age connectivity, with call centres, ISDN links and so forth? Can he therefore give an assurance that the last third will not be left until last, since those fragile economies depend on competitive connectivity for their economic future?

Mr. Bradshaw: We will have to wait to see what bids we get from the consortiums who will be opening up the bidding for the work. However, there is no reason why the hon. Gentleman's part of the world will be left until very last; that will very much depend on the quality and intention of the bids that we receive. As I have emphasised several times, without our willing the means to fund this, he would be left with a problem, and so would his constituents.

Mr. Lindsay Hoyle (Chorley) (Lab): I am a member of the Business and Enterprise Committee, and as we have heard, we are going to look into digital access and broadband as well. I welcome my right hon. Friend's statement and thank him for ensuring that low-income families will benefit from funding for new access, but will he also ensure that rural parts of Lancashire gain access to the new broadband?

On a broader scale, I welcome my right hon. Friend's commitment to regional television and media, which is very important in Granadaland. As my hon. Friend the Member for Rossendale and Darwen (Janet Anderson) asked, will he ensure that the trial is in the Granada area? That is very important. Will he also ensure that local and community radio stations such as the world-famous Chorley FM also receive the funding that they need, along with our local newspapers the *Lancashire Evening Post*, the *Chorley Guardian* and the *Chorley Citizen*? It is important that we have a broad mix and that there is true competition for the BBC. That will come only if we have regional news and current affairs programmes.

Mr. Bradshaw: What we have announced today will, I believe, help lead to a real thriving of local and community radio stations of the type that my hon. Friend supports and advocates. It will also help the regional and local newspaper market, because we are not only taking the action that I outlined on mergers legislation, but asking the Audit Commission to examine the practice of local authorities spending quite a lot of council tax payers' money putting out free newspapers and, in the process, swallowing up a lot of local advertising that might otherwise go to local papers.

We in this place may be accused of being self-serving in our support for regional and local news organisations, because they tend to talk to us and we pontificate and give interviews to them, but the viewing figures for evening regional news programmes on both the BBC and ITV are among the highest for any news programming

[Mr. Bradshaw]

on television. The recognition of regional and local radio and TV presenters is another sign of how popular they are with our constituents. We are on the right side of this argument—the side of our constituents, standing up for what they value in local and regional news provision.

Several hon. Members *rose—*

Mr. Speaker: Order. There are a few hon. Members still to ask questions, and if questions are brief—brief questions usually lead to brief replies—I can get everyone in.

Richard Ottaway (Croydon, South) (Con): In view of the concerns expressed by ITV about its financial viability, why is the Secretary of State delaying until 2013 the sharing of the licence fee to ensure plurality of news?

Mr. Bradshaw: We are not doing nothing before then to help regional and local news provision. We have said that we will look at piloting the model that I outlined between now and 2013, but that depends on a viable continuation of that model after 2013. I think that the piloting will help. We have the digital underspend to use on that and on the broadband roll-out, but we need a mechanism after 2013 to continue that funding through sharing some of the BBC licence fee, and for that we need primary legislation.

Dr. Stephen Ladyman (South Thanet) (Lab): My right hon. Friend's statement was strong on improving the infrastructure, but he was less explicit about how we are going to drive forward the services that sit on top of that infrastructure. May I highlight to him telecare and assisted technology? There is no reason why people who have a social care need—older people and those with chronic illnesses—cannot be made more comfortable and safer by using those services. Will he ensure that the forthcoming social care Green Paper takes advantage of the infrastructure that he has laid out to the House today?

Mr. Bradshaw: Yes. If my hon. Friend looks at the section at the end of my statement about the implications for Government and for public organisations, he will see that there is a great deal of detail, including obligations on all Government Departments to show how they will digitalise their own services.

My hon. Friend mentions social and health care. It is often assumed that elderly people are not very keen on using digital technology, but in any library in the country there are pensioners navigating their way through NHS Choices, choosing which hospital to go to, examining details about complaints that they might have and trying to find out what treatments are available to them. There is huge potential not just to make public services much more responsive and quicker for the consumer but to save the taxpayer a lot of money.

Adam Price (Carmarthen, East and Dinefwr) (PC): Will the budget for the new Welsh pilot on public content be close to the £25 million annually that the Welsh Assembly said last week was the bare minimum necessary? Will it be channelled through an independent commissioning body, based and made in Wales?

Mr. Bradshaw: If the hon. Gentleman will forgive me, I will have to write to him with the details of funding for the pilots—I assume that he was asking me about the pilots.

Miss Julie Kirkbride (Bromsgrove) (Con): I congratulate the new Secretary of State on his willingness to take on the vested interests of the BBC. Given his announcement on top-slicing for local news, could that be extended to other public sector broadcasting, which could bid to be shown on channels other than the BBC?

Mr. Bradshaw: We have specifically been careful with the wording in the document. I think that we say "primarily" for news because we did not want to shut the door to other provision—for example, children's programming, about which people feel strongly and which is also currently the victim of market failure. We also did not want to close the door in case of an underspend in future, which we might want to share with others to do the things that the public want us to do. We should not shy away from that principle.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I welcome two aspects of today's report: the principle of a universal service obligation for broadband, albeit limited to 2 megabits, and the recognition of the link between economic prosperity and broadband provision. If the Government are serious about that link, why is the Secretary of State prepared to leave some of the most economically fragile communities until 2017 before they are allowed to get a piece of the action?

Mr. Bradshaw: We are not doing that. As I made clear, we will ensure that the guarantee for today's technology is rolled out to everybody by 2012, and the next generation will start concurrently. Our proposals for mobile spectrum should also help many of the hon. Gentleman's constituents. Bearing in mind the remote nature of the constituencies that he and some other hon. Members represent, he will find that our ambition and time scale is at the top rather than the bottom end of international expectation.

Mr. Nigel Evans (Ribble Valley) (Con): I am in favour of the gouging of the licence fee—it is not sharing, but top-slicing. It concedes that the recent inflation-busting increase in the licence fee was totally unnecessary and has led to huge pay for the director-general, Mark Thompson, of more than £800,000 a year and bloated pay deals for the BBC's so-called top talent, such as Jonathan Ross, of more than £6 million a year. Doubtless, other so-called stars earn mega sums of money. If the BBC starts bleating, the Minister should ask it to examine some of the pay deals that it has done in the past two to three years—that is where the fat can be cut from the land. On the pilots, I ask the Minister to look at the north-west. Granada is a superb news-delivery organisation, but it needs support now, not in two or three years. The support needs to be brought forward if it is to be effective.

Mr. Bradshaw: The hon. Gentleman was always fonder of brutalist language than me. He says top-slicing, I say sharing—I think that reflects our different characters.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Secretary of State said that digital radio would be the primary platform by 2015. What reassurance

can he give the many constituents who rely on the analogue signal about how long it will remain for their use?

Mr. Bradshaw: It will remain on FM for some of the new local and community radio provision that I outlined. We will consider providing help in the same way in which we did for the digital television switchover. However, when we take into account the way the prices for digital radios are decreasing, and people's behaviour in the past with digital switchover for television and the change from black and white to colour television, I suspect that we will find that many people are already listening to digital radio. May I suggest to the hon. Gentleman that, rather than a lot of useless jumpers for his family at Christmas, he buy them a digital radio each? That will help along the way.

Mr. Roger Williams (Brecon and Radnorshire) (LD): A number of hon. Members believe that rural communities will be at the end of the queue when it comes to sharing the benefits of IT. However, in Scotland, a new technology is being tested called broadband extension technology, which would mean that people living 17 km from an exchange could achieve the minimum guarantee. Will the Minister ensure that that technology is developed as fully as possible and rolled out as soon as possible?

Mr. Bradshaw: I will happily look at the technology that the hon. Gentleman has mentioned and reflect that as part of the consultation.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): After 12 years of this Government's broadcasting policy, my constituents are still left with a second-class mobile phone network and, having switched over to digital television, half of them are now getting the second-class "Freeview Lite" service. Although I, too, welcome the new commitment to super-fast broadband across the whole country, will the Secretary of State give us an assurance that he will not lose sight of the existing problems in rural areas?

Mr. Bradshaw: Yes, certainly. I will undertake to write to the hon. Gentleman about the specific problems that he has just raised.

Point of Order

4.30 pm

Mark Hunter (Cheadle) (LD): On a point of order, Mr. Speaker. I should advise the House that I have notified the hon. Member to whom my point of order refers. I know that you take a dim view of the practice of one MP visiting another MP's constituency without the courtesy of giving advance notification, Mr. Speaker, so you can imagine my surprise on opening the *Stockport Express* recently to discover that the hon. Member for Chipping Barnet (Mrs. Villiers) had made a campaign visit to my constituency. Can you reaffirm that clear protocols for such visits exist, that they cover Front-Bench Members and that we are all expected to abide by them?

Mr. Speaker: May I say to the hon. Gentleman that it is a convention? Courtesy should always be foremost in every hon. Member's mind when they go to another constituency, but I have to be careful, because there are official visits and there are private Conservative or Labour party meetings, which are a wee bit different. However, if there was an official visit to the hon. Gentleman's constituency, I would urge all those on the Front Bench in all parts of the House to observe the convention. That is the best that I can do in this matter.

European Affairs

4.32 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move,

That this House has considered the matter of European affairs.

I am pleased to open this traditional pre-European Council debate. The heavy European Council agenda shows why the UK needs a pro-European Government fully engaged with the European mainstream. On the range of issues that the Heads of Government will discuss in Brussels on Thursday and Friday—from economic supervision to climate change financing or strategic engagement with Pakistan—the decisions the EU takes will directly affect the security and prosperity of British citizens. If we want influence, we cannot be on the margins.

The first item on the Council's agenda later this week is the economic recovery. Over the past year, the EU has been at the forefront of the global response to the economic crisis. Last October, all 27 member states acted together to restore confidence in the financial system, agreeing to raise deposit protection thresholds to a minimum of €50,000. In December, we agreed an economic recovery plan, committing to provide a fiscal stimulus worth €200 billion, a figure that we have since met many times over. Indeed, according to President Barroso, the total fiscal boost now stands at 1.8 per cent. of the EU's GDP. If we include the automatic stabilisers, the net boost was somewhere around 5 per cent. At the spring Council in March, member states unanimously endorsed the goals of the London summit, providing a €75 billion injection to the International Monetary Fund, to enable it better to support the world's most fragile economies.

This week's European Council will do two things on the economic front. The first is to take stock of the European economic situation since the London summit and consider measures to support the economy. With the Commission predicting a 4 per cent. decline in output across the EU, and with 60 per cent. of all our exports, 700,000 of our companies and 3 million British jobs dependent on trade with the EU, the Prime Minister is right that a strengthened European growth strategy is a vital component in the move out of global recession.

We have already increased the resources available to the European institutions. Through its balance of payments facility, which was doubled to €50 billion, the EU has provided sizeable loans to Romania, Hungary and Latvia. However, further increasing the remit of the European Investment Bank and the European Bank for Reconstruction and Development will be important if we are to reignite the engine of growth. The Prime Minister has recently set out concrete proposals for the EIB to provide greater support to those in difficulty, through lending more, lending it faster and taking on more risk, to help stimulate a European recovery while commercial bank lending remains low. He will discuss those ideas with his counterparts in Brussels later this week.

Kelvin Hopkins (Luton, North) (Lab): Angela Merkel has been critical of the way in which Britain has addressed the crisis, yet the economies in the eurozone, and Germany in particular, have contracted more quickly that that of Britain. What is my right hon. Friend's response to Angela Merkel?

David Miliband: It certainly is not schadenfreude; we should be careful about that in these circumstances. Germany is the world's second largest export economy, and it has therefore suffered from the drop in global trade and the collapse of demand in some parts of the world. That is why German gross domestic product looks likely to fall by about 6 per cent. As we discussed in this debate in December, the German fiscal stimulus as a share of GDP is actually larger than ours, so we should be careful not to believe that some of the alleged divisions are as great as they are said to be.

Lembit Öpik (Montgomeryshire) (LD): The right hon. Gentleman has made an important point about exports and imports. Germany is quite dependent on the automotive industry, as are we. Will he address that question specifically with his German and other counterparts? Many of the job losses in my area have been a direct result of job losses in the supply chain for the automotive industry, and I have no doubt that Germany and other countries will have a strategic interest in working collectively to restart the supply chain for the automotive industry and to boost sales.

David Miliband: The hon. Gentleman makes an important point about the headline figures on jobs in the car industry, which often neglect to show the effect on jobs in the supply chain. I am sure that that issue will be discussed on Thursday and Friday.

The second economic priority is to take preliminary decisions on the supervision and regulation of the financial sector. Regulation means setting the rules; supervision means checking that they are implemented properly. This requires the right balance of national and international powers. The Government have already made it clear that the de Larosière report and subsequent Commission proposals are a good starting point. There is much that we welcome, particularly in regard to improvement in regulatory standards and supervisory co-operation, and the establishment of a new European body—the European systemic risk board—to monitor emerging systemic risks.

Mr. David Heathcoat-Amory (Wells) (Con): Does the Foreign Secretary accept that the United Kingdom faces some extremely unwelcome proposals on financial and banking regulation? The Minister responsible in what was then the Department for Business, Enterprise and Regulatory Reform, the hon. Member for Dudley, South (Ian Pearson), has written to the European Scrutiny Committee to say that we are now isolated on those measures. Will the Foreign Secretary confirm that we face being outvoted on these unwelcome and damaging proposals, which will regulate the City of London in a way that Parliament and the British Government do not want?

David Miliband: I do not accept that we are isolated, certainly not on the basis of the discussion that I had at the European General Affairs Council yesterday. There might be some confusion in the right hon. Gentleman's mind. What I am talking about here are the de Larosière regulatory and supervisory proposals. There are separate proposals in respect of so-called hedge funds, which are being discussed on a different track and will not be discussed this week. They are at a rather more preliminary stage.

It might help the House if I just make the following point about the balance between international and national regulation and supervision. Improved regulation is essential if we are to keep up with the increased dynamism of international capital markets. That means introducing improved regulatory standards across Europe—an agreed rule book for financial regulation. However, this Government believe that micro-prudential supervision—in other words, supervision of individual companies—must remain at nation state level.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Does my right hon. Friend agree that, in relation to the European economic recovery package, Britain has already shown that if we use the right arguments and they are ably prosecuted, Europe will follow suit, and that that principle is likely to prevail on regulation and supervision as well?

David Miliband: My hon. Friend makes a good point. It is important not to believe the fallacy that is sometimes promoted in some quarters—namely, that it is Britain against the rest. There is a recognition across Europe of the need to improve regulation and supervision, for example, and Britain is in good company in regard to the arguments that we are making. I very much hope that the proposals that are discussed on Thursday and finally adopted on Friday will recognise the need for a balance between the national and the international level, because that is very important.

Mr. Edward Davey (Kingston and Surbiton) (LD) *rose—*

Mr. William Cash (Stone) (Con) *rose—*

David Miliband: I give way to the hon. Member for Kingston and Surbiton (Mr. Davey).

Mr. Davey: Will the right hon. Gentleman explain why the British Government are so against the proposals from the European Commission on the regulation of hedge funds and private equity? Surely there is a debate to be had about greater transparency and capital adequacy in those organisations; and if we have learned anything from the recent problems in the City, it is surely that there is a case for good regulation to make those markets work more effectively.

David Miliband: I hope I do not disappoint the hon. Gentleman if I say that the Government also believe that whereas the old debate was about having more or less regulation, the debate we should have is about the details of the regulation that is needed. We think it is right, for example, to look at how to improve the regulation of the so-called hedge funds that the hon. Gentleman mentioned, but the details must be got right, and we are at a preliminary stage of discussions about hedge funds. Many detailed arguments, for example about funds coming from outside the European Union, need properly to be taken into account in the development of any detailed regulatory proposals. That has not yet happened, so that is what we will try to ensure over the rest of this year.

Mr. Cash: As the Foreign Secretary knows, President Barroso has made the EU's position crystal clear, as he strongly believes that all these matters should be enveloped within the EU legislative structure. On 27 February, I wrote a letter to the *Financial Times*, saying that we have to insist on the supremacy of Westminster legislation in accordance with the formula I put forward, of which the right hon. Gentleman is well aware—namely, that we would override any such European legislation if it were in our vital national interest to do so. Does he agree that, otherwise, through majority voting and co-decision, we will end up with the supremacy of this House being overridden? Does he accept that the formula I have suggested is the only way around the problem; otherwise we will be subjected to the European Court of Justice rather than to the democratic decision of the people of this country?

David Miliband: I think we will come to that a little later. I can assure the hon. Gentleman, however, that there will be no majority voting at the European Council this week, that the proposals that we make will not represent Britain acting on its own and that we will be able to exercise our own democratic rights in a way that I think he would approve of.

The second issue concerns climate change. It is vital that the EU continues to show leadership in achieving an ambitious global deal at the Copenhagen summit in December, and this Council provides an opportunity to push things forward. The green revolution is not just about avoiding devastating damage to our planet; it is also about avoiding another commodity price spike, which would be a major impediment to economic recovery. With the oil price now having hit the $70 a barrel mark, there is a real fear that, unchecked, it could choke off growth, just as we are working so hard to try to restore it. So tackling climate change is not a distraction from economic recovery, but a contribution to it.

The Council must therefore build on the agreements reached in March and indicate its willingness to contribute financially to help secure an ambitious deal at Copenhagen, because we are now firmly on the path towards that December conference. The EU needs to reaffirm its leadership in advance of the Major Economies Forum in July—given new momentum by the new American Administration—at which questions concerning developed country financing towards mitigation, adaptation, technology support and capacity building will be a top priority.

At their dinner on Thursday night, Heads of Government are expected to discuss the nomination of the next Commission President, which I hope is a matter of interest to the hon. Member for Stone (Mr. Cash)—*[Interruption.]* I was not thinking of putting him forward as a nominee, I am sorry to say; I just thought I would get his attention, as I did not want him to doze off at this point and I had a nasty feeling that he might.

From the UK perspective, and certainly from the Government's perspective, Mr. Barroso has been an excellent President, who has prioritised economic reform and better regulation, and pressed for EU leadership on climate change. So we fully support Mr Barroso's decision to run for a second term, and will continue to work with him to ensure the EU delivers on the UK's agenda for an outward-facing, globally competitive Europe.

Another pressing issue for the Council is illegal migration across the Mediterranean.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Before my right hon. Friend moves on to looking towards the autumn and the new Commission President, will he

[Ms Gisela Stuart]

say something about how the British Government intend to work with the two new British National party MEPs in the new European Parliament?

David Miliband: There is a minimal level of service that is the entitlement of all Members of the European Parliament, and that minimal level of service will be provided, but we will not go beyond it.

Mr. Nigel Evans (Ribble Valley) (Con): Following the crushing defeats experienced by the Government on 7 June, when the results of the European elections placed Labour even below the United Kingdom Independence party, what moral authority do they consider that they have to discuss any issue on behalf of the people of this country?

David Miliband: I am sure I do not need to remind the hon. Gentleman that general elections are the way in which we decide the Government of this country. He will not have that long to wait—a maximum of 11 months, according to any timetable—and I suggest that he contain his enthusiasm. *[Interruption.]* That is very unlikely, says my hon. Friend the Under-Secretary of State from a sedentary position.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): We are currently witnessing the passing on of many members of the generations who saw Europe torn apart 70 years ago, and who worked so hard to put Europe back together. Do we not all have a responsibility to ensure that the pro-European message—that Britain needs to be engaged in Europe—is delivered over and over again?

David Miliband: I certainly agree with that. As I shall make clear later, I think it incumbent on those of us who did lose the elections not only to try to understand why, but to stick to what we believe and try to advocate it with full passion and drive. I think that that is what my hon. Friend meant. *[Interruption.]* Let me say to the hon. Member for Ribble Valley (Mr. Evans) that it is not a matter of blaming the electorate; it is a matter of saying that we should stand up for what we believe in, and then allow the electorate to make their choice.

Mr. Evans: They did make their choice.

David Miliband: They did, and for the next five years they will have the MEPs for whom they voted. That is the way in which the system works.

Mr. Bernard Jenkin (North Essex) (Con) *rose—*

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op) *rose—*

David Miliband: I am blessed with too many interventions.

Mr. Jenkin: While the Foreign Secretary reflects on the fact that if he walks down the street he is unlikely to meet more than one in 20 who voted Labour in the European elections, may I ask to what he ascribes the declining turnouts in European elections? Why are all the people of Europe more and more disillusioned about participating in elections to the European Parliament? Is it because they are feeling more and more disconnected from institutions which are taking more and more of their power?

David Miliband: The answer to that question is that the European Union has spent the last seven or eight years debating institutional questions which people do not feel have addressed their concerns, and the sooner it puts such institutional navel-gazing behind it, the better.

Let me point out to Opposition Members who are nodding and agreeing that they want to put institutional sclerosis behind them that the proposals that they are advocating are designed precisely to introduce yet another decade of institutional navel-gazing. I suggest that if they are serious about wanting to allow the European Union to address the real issues, they should understand that it is a major mistake to try to unpick the Lisbon treaty after it has been passed in the House of Commons. We shall have to wait and see what happens in the Irish referendum, although I shall have some words to say about that later.

Mr. Davidson *rose—*

David Miliband: I am happy to allow my hon. Friend to intervene, but I must then make some progress.

Mr. Davidson: Does the Secretary of State believe that the results of the European elections were a ringing endorsement of Government policy, and does that Government policy remain "no compromise with the electorate"?

David Miliband: As my hon. Friend knows, the answer to both those questions is no. The old saying "no compromise with the electorate" goes back a long way in the labour movement.

Let me say a little about migration before discussing the external relations agenda. A pressing issue for the Council is illegal migration across the Mediterranean. It is right that we work with our EU partners to strengthen the border, help transit countries to control migration, and enforce our rules by returning illegal immigrants to their countries of origin. We support measures to increase the effectiveness of Frontex, the EU external borders agency which co-ordinates the operational activities of member states to strengthen the security and surveillance of the land, sea and air borders of the Schengen area.

At the General Affairs Council yesterday, I discussed the three external relations priorities for the Council: Burma, the middle east peace process, and Afghanistan and Pakistan. With Aung San Suu Kyi's trial continuing in Rangoon and the verdict seemingly a foregone conclusion, this Council provides an opportunity for a high-profile message of support for her.

Secondly, the EU will also want to send a clear message of support for President Obama's determination to achieve a lasting peace in the middle east. The British Government's position is clear: we support a two-state solution based on 1967 borders, with Jerusalem as the capital of both Israel and Palestine and a fair settlement for refugees. Without a decisive drive to peace, there will be a drift towards more conflict. The EU role, as a member of the Quartet, is important. I would highlight

the importance of funding the institutions, both economic and security, of a Palestinian state, and providing political impetus for Israelis and Arabs to make the necessary compromises for peace. There is also a vital regional element. Israel needs security from Arabs, not just from Palestinians. Palestinians need support from Arab states, not just land from Israel. The EU needs to make its economic, political and diplomatic relations with the whole region count.

We will also, no doubt, watch carefully the emerging situation in Iran. I am sure that the whole House will deplore the loss of life yesterday. The General Affairs Council adopted conclusions yesterday, but as events overnight show, the situation is moving fast, and we will take stock on Thursday evening.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The EU has in the past adopted a quite successful common position with regard to dialogue with Iran. Does the Foreign Secretary agree that the prospects for a meaningful dialogue with Iran by either the EU or the United States are pretty grim, however, if the Iranian authorities do not show respect for what is clearly the will of the Iranian people in determining their future Government?

David Miliband: It certainly is for the Iranian people to choose their own Government, and for that to be done in a way that respects their wishes. We should allow the inquiry or investigation that has been established by the so-called Guardian Council to proceed. The right hon. and learned Gentleman will know very well that for some in Tehran the temptation to blame everything on perfidious foreigners is great, so I think it is very important that while we continue to deplore the loss of life, we insist that it is for the Iranians to choose their Government. Whoever the Iranian Government are, however, they have a responsibility to engage with the rest of the world in a way that promotes stability, as well as asserting their own rights.

Mike Gapes (Ilford, South) (Lab/Co-op): On the middle east peace process, does the Foreign Secretary agree that there is a need not just for a grudging statement from the Israeli Prime Minister about a two-state solution, but for concrete measures that will make an agreement possible, and that Israel therefore needs to stop—totally stop—the expansion and enlargement of the settlements? Will the Government hold urgent discussions in the near future with the United States as to a way forward, to exert the maximum possible diplomatic pressure to get a solution to this matter?

David Miliband: As my hon. Friend knows, it is certainly the position of the UK Government that settlement activity needs to be frozen, including natural growth, which is, of course, a commitment of the road map. In respect of engagement with the United States, I spoke yesterday to Secretary Clinton and former Senator Mitchell, and I think that the US role will be absolutely critical. However, I would also say that it is not just a matter of applying "pressure"; I think that the European support for Palestinian institutions is going to be important, and I also believe that there are responsibilities on the Arab states to think through how they will achieve the goals of the Arab peace initiative and how they will operationalise the very important vision set out in that. The EU can play a role in that regard, too.

The third issue I want to touch on concerns the first ever EU-Pakistan summit, which will take place at UK instigation just before the European Council on Wednesday. Given the range of interests Europe has at stake, the UK has argued long and hard for more strategic engagement with Pakistan. There is a wide range of issues for discussion at the summit, including the following. First, there are the counter-insurgency operations in North-West Frontier Province and the consequent humanitarian situation now afflicting some 2.7 million or 2.8 million refugees, or internally displaced persons. The EU has rightly pledged to make available a sizeable contribution to assist the displaced population, but it will also have a role to play in rehabilitation and reconstruction. Secondly, in respect of governance and democracy, the EU can and should help with institution building both at the centre and in the provinces by providing finance, advice and expertise. Thirdly, on economic development, the EU is Pakistan's most important trading partner, so it is right that we should do more to improve access to EU markets. To this end, the summit is looking to agree a step change in the EU's engagement with Pakistan on trade, leading to a free trade agreement in due course.

Mr. Denis MacShane (Rotherham) (Lab): I very much welcome that last point about aiming for a free trade agreement with Pakistan, on which I know my right hon. Friend has done serious work. If we can replace guns with goods, as it were, that must make sense for the region. I have read the paper that he has just drawn from, however, and it makes no mention of India. I do not know who will represent the UK at the summit, but not to discuss India in the context of Pakistan is to read out "Hamlet" without any citation from the prince. Can we have some input from this Government whereby they say politely and gently, "You will not solve these regional problems unless India is part of the solution; it should not always be seen as part of the problem"?

David Miliband: My right hon. Friend makes an important point. I am sure that he will have read carefully, as I have, the very important speech that the recently re-elected Prime Minister Singh made last week on how he wants to take forward relations with Pakistan. His point, at the heart of that speech, that Pakistan needs to take action against those who were associated with the Mumbai attacks is absolutely right. The fundamental building block of confidence for anyone in India—for the politicians and the people—in Pakistan's determination to be a reliable partner lies in its taking action on those associated with the Mumbai attacks. On that basis, I think there is then the prospect of reciprocal action occurring between President Zardari and Prime Minister Singh, and I would certainly like to see that.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Many of us will be pleased to hear about initiatives regarding Pakistan, but there is a question as to where the EU's responsibilities finish and where NATO's responsibilities should really begin. The Foreign Secretary is touching on some areas in which NATO has huge expertise; it has developed relationships through embassies, the military and so on to provide the exact answers about which he is now talking. I wonder whether a bit of mission creep is going on in the EU and whether we should allow NATO, which he has not even mentioned [illegible] and

[Mr. Tobias Ellwood]

which incorporates the Americans and Canadians, who are already involved in Afghanistan, not to mention India, to participate in some of these solutions.

David Miliband: I certainly do not think that there is any mission creep in talking about humanitarian help, governance and democracy, and economic development. However, as we have said many times in this House, the situation in Pakistan and the situation in Afghanistan are inseparable. That is why Afghanistan is also on the agenda for the discussion this week. The focus is on NATO work not only to ensure that credible elections are held on 20 August, but to prepare for provincial council elections. These will be the first Afghan-run elections—they will have NATO support—since the 1970s. The European Commission, however, is the second largest donor to the UN's election fund for Afghanistan, and we hope that the EU will also be able to send election observers. Holding elections is a massive challenge that requires major, hard, military support from NATO, but it is also right to say that the wider international community, including the EU, does have a role to play. I do not see that as mission creep; I see it as genuine complementarity. The previous US Administration were absolutely insistent that Europe's external security and defence policy sat well with NATO's strategic concept. The new American Administration support that view, as do our Government. I do not see those things as being in conflict; I see them as being in partnership.

Mr. Ellwood: I understand where the Foreign Secretary is coming from, but as someone who has just come back from NATO, I can tell him that when I learn that NATO has no formal agreement on how it operates with the EU it demonstrates to me a massive clash between two organisations and how they seek these solutions. He says that this is not mission creep, but this work is exactly what NATO is good at doing and all these things are being repeated. These skills are having to be learned afresh by the EU; NATO has been doing this for an awful long time.

David Miliband: I have a lot of respect for the hon. Gentleman, and I would be happy to talk to him after the debate. Two words have to be used, unfortunately, when it comes to understanding why there is such difficulty in establishing coherent structures between the EU and NATO. Those words are "Turkey" and "Cyprus".

Mr. Ellwood: Exactly.

David Miliband: I am glad that the hon. Gentleman knows that. The one thing I would say to him is that co-operation on the ground is often better than the lack of institutional co-operation that exists in Brussels—that can be seen in Kosovo, for example. I hope that he does not take away from his visits to Brussels the view that because the institutionalised dialogue that he would like to see is not taking place, NATO and the EU cannot be wholesome partners.

Mr. John Redwood (Wokingham) (Con): The Foreign Secretary mentioned democracy: may we have some in Europe? Why do the Irish have to vote again, when their verdict was very clear? Why cannot we have a vote in Britain? And what did he not understand about the Eurosceptic majority in the European elections?

David Miliband: I am glad that the right hon. Gentleman has brought me on to this topic, because there is unfinished institutional business in the European Union. Since the Irish people voted no in their referendum on the Lisbon treaty on 12 June last year, the Irish Government have been deciding on their next move. In December, the European Council agreed, on the basis of Irish proposals, that the EU would give Ireland the legal guarantees it wanted on the issues of concern to its electorate. In December, as the Prime Minister reported to the House, the European Council conclusions set out what the Irish guarantees will cover—no change in EU competence on tax; no prejudice to national security and defence policy; and guarantees on provisions in the Irish constitution on the right to life. The December conclusions also record the high importance attached to the issues, including workers' rights.

There are now detailed Irish proposals for these commitments to be agreed as legal guarantees, for a declaration by the European Council on workers' rights and social policy, and for a national declaration by Ireland. We are assessing these texts against the two objectives that we have consistently set out to Parliament and to EU partners. The first is to ensure that the Lisbon treaty comes into force on the basis of support in all 27 member states. To do that, the EU collectively has to address the concerns of the Irish people to the mutual satisfaction of Ireland and other member states. The second is to ensure that the content of the Lisbon treaty as it affects the UK is not changed.

Mr. Jenkin: Can the Foreign Secretary explain how the EU or the member states can give legal guarantees to the Irish Republic without changing the terms of the treaty and requiring re-ratification?

David Miliband: Very simply, in the same way as the Conservative Government did in 1992 with a decision on Maastricht. On all these issues, the UK will be at the heart of the debate. That is more than can be said of the Opposition. First, their policy on Lisbon is in tatters after the interview given by the right hon. and learned Member for Rushcliffe (Mr. Clarke) on Sunday. The shadow Foreign Secretary has promised "not to let matters rest" in the event of the passage of the Lisbon treaty. So did the Conservative European manifesto—it was at the heart of their campaign. In an interview with *The Times* at the end of April, the right hon. Gentleman said that, if the treaty had been ratified, a referendum might still be promised in a Tory manifesto. He said:

"We would not rule anything in or out."

The Leader of the Opposition has backed him, saying:

"I want to change things and reform things and that's why we need to start by rejecting the Lisbon Treaty".

But the right hon. and learned Member for Rushcliffe was clear on Sunday that

"If the Irish referendum endorses the treaty and ratification comes into effect, then our settled policy is quite clear—that the treaty will not be reopened".

No wonder the hon. Member for Stone says that there has been a unilateral rewrite of Conservative policy. The right hon. and learned Member for Rushcliffe went on to say:

"I don't think anybody in Europe...is in the mood for any more tedious debates about treaties, which have gone on for far too long, which is why this needs to be resolved."

Too right, we say on the Labour Benches, and too true for the good of the Opposition. I look forward to the right hon. Member for Richmond, Yorks (Mr. Hague) giving Parliament and the British public a clear answer to a simple question: in explaining Conservative policy on the Lisbon treaty, who is telling the truth, the right hon. and learned Member for Rushcliffe or the Leader of the Opposition?

Sir Malcolm Rifkind: The Foreign Secretary must be fair if he is going to quote selectively from my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). The Foreign Secretary quoted correctly, but my right hon. and learned Friend went on to say that what the Conservative party is pledged to do is seek the repatriation of certain powers, quite apart from the Lisbon treaty, and that discussions—hopefully, negotiations—would have to take place with the European Union. If the Foreign Secretary wishes to play politics on this issue, it is no benefit to the debate to misrepresent what my right hon. and learned Friend said.

David Miliband: The right hon. and learned Gentleman does himself no service. He is a former Foreign Secretary. He talks about renegotiation, and what did his right hon. and learned Friend the Member for Rushcliffe say in that interview? He said that it would be not a solemn negotiation, but just a friendly discussion. The right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) has sat in the Foreign Office; he knows that if one wants to renegotiate one's relationship with Europe, one cannot do it on the basis of a friendly discussion that is not solemn. The truth is that the right hon. and learned Member for Rushcliffe has said very clearly that there is not a cat in hell's chance of getting 26 other member states of the European Union to support Conservative policy on this matter.

The second aspect of Conservative disarray concerns the influence that the party expects to exercise in the European Union. The shadow Foreign Secretary needs to explain why his party is trying to seek a divorce from the French UMP, led by President Sarkozy, which has 29 seats in the European Parliament, and the German CDU, which has 42 seats—never mind the Greek New Democracy party, which has eight. Instead, the Conservatives have sought a new marriage with the Czech ODS, whose founder has described climate change as a "global myth", and the Polish Law and Justice party, whose members believe homosexuality is a "pathology" and which warned that President Obama's election would mean

"an impending catastrophe, the end of the civilisation of the white man".

Then there is the motley collection of other fringe parties that the Conservatives are courting to try to make up their numbers: the three MEPs from the Latvian For Fatherland and Freedom party, which celebrates the Latvian unit of the Waffen SS troops; the two MEPs from the Danish People's party, which has warned that Muslim immigration would mean the end of European civilisation; and two more from the Dutch Christian Union, which previously banned women from being party members. Those will be the Opposition's new bedfellows in the European Parliament, if they can get seven of them together. It is little wonder that the Opposition's own MEPs have denounced their policy as either ridiculous or barking. Christopher Beazley MEP has said that under a Conservative Government, this country would "head for the rocks".

The European elections confirmed that the EU is not popular in the UK. I do not deny that. It is, however, the most successful regional institution in the world. It is a source of jobs and rights for our workers. It provides protection for our environment and stability for democracies on our borders. It is a voice for European values and interests in the world, and this Government will argue for its merits as well as for its reform.

In the last few years, the EU has magnified our influence on the global stage, helping to entrench peace in Kosovo and leading the global drive on climate change. At the same time, it has delivered concrete benefits for British citizens, cutting mobile phone charges and airfares and slashing business administrative costs. Over the next 12 months, it faces vital tests on the single market, on enlargement to embed stability in the western Balkans, and on leading the world to the ambitious deal that we need on climate change to replace Kyoto. That is why the Government's position on Europe is one of active engagement in working to shape the debate, forge an ambitious agenda and pursue necessary reform. That is why it is of such great concern that the Opposition are so steadfast in their determination to reverse that progress.

The truth is that the Government have a clear, positive agenda for Britain in Europe. We will use our membership to deliver concrete benefits for the people of this country and to forge global solutions to the problems we face. The Opposition have nothing but a confused wrecking strategy, which would cost this country dear, in terms of both our interests and our influence. The right hon. and learned Member for Rushcliffe came close to acknowledging that in his BBC interview on Sunday. It is about time that the right hon. Member for Richmond, Yorks, who speaks for the Opposition on these issues, did so too.

5.8 pm

Mr. William Hague (Richmond, Yorks) (Con): The coming European Council will consider a wide range of issues, as the Foreign Secretary has explained.

Let me begin by taking him up on the discussion of some of the wider foreign affairs issues that he mentioned, particularly the immediate issue of the situation in Iran, which will clearly be discussed at the meeting this weekend. In particular, I want to endorse the overall approach to Iran that he explained. The situation there is clearly extremely tense and fluid. Two huge rival protests are planned in Tehran this afternoon, with a possibility of a repeat of the violence that claimed seven lives last night. I want to support the Foreign Secretary's calls, repeated by his French and German counterparts, for the Iranian authorities to address allegations that the vote was rigged. We trust that Europe will continue to send a united message to Iran that the use of force against peaceful protestors is unacceptable.

The underlying factors in the international community's dispute with Iran remain unchanged. As we know, President Obama has given Iran until the end of this year to respond to his offer of engagement. We acknowledge that that is a calculated gamble given that, whatever else Iran does in the coming months, it seems highly likely to use this breathing space to push ahead at full speed with

[Mr. William Hague]

its nuclear programme. Nevertheless, we think that that is the right approach. Exploratory dialogue and laying the basis for successful negotiations will take some time, but my point is that European countries should be using that time well too.

The Foreign Secretary said in a written answer to me on 6 May that

"now is the time to back American outreach".

I very much agree, and he went on to say:

"If the Iranians do not respond in a positive way, we can then ensure that further steps are taken."—[*Official Report*, 6 May 2009; Vol. 492, c. 172W.]

I agree with that too, but I hope that the Foreign Secretary will not neglect to try to ensure that American outreach is backed by EU countries by demonstrating to the Iranians that their situation would be worsened significantly if they rejected negotiations. The best-case scenario now would be for European nations to agree in the coming months on a detailed set of sanctions to be implemented if Iran did not come to the negotiating table, which would affect Iran's relations with Europe across the board. Although that looks unlikely, given the past record on agreement on sanctions, at the very least we should be trying to win the argument for such sanctions now, to ensure that no time is lost if their implementation is required.

Economic self-interest in some countries has prevented Europe from agreeing tough sanctions in the past. We hope that that will change, because if the EU does not muster the will to be tough on Tehran, we may find that it is too late to prevent the regime there from acquiring a nuclear weapon.

I very much support what the Foreign Secretary said about support for President Obama's initiative in the middle east, and we support continued EU engagement in both Afghanistan and Pakistan. We welcome the first ever EU-Pakistan summit tomorrow, which the right hon. Gentleman mentioned, and hope that it will turn into a regular fixture. It offers an opportunity for the EU to define a joint strategy with Islamabad to help fight extremism, provide assistance and help entrench democracy, all of which are important priorities for us.

The Foreign Secretary also spoke about Burma, which I too want briefly to mention. Of particular concern and cause for alarm at this time are the ongoing trial of Aung San Suu Kyi for breaching the terms of her house arrest, and the renewed offensive in eastern Burma that has prompted thousands of civilians to flee across the border into Thailand. We are now seeing gross abuses of human rights in Burma, including the continued detention of political prisoners and the suppression of all forms of democracy and freedom. Although we welcomed the EU's decision in April to extend sanctions against the Burmese regime, I hope that the Minister winding up the debate will tell us what assurances can be provided that the existing sanctions are properly implemented throughout the entire EU, and that he will also say what mechanisms are in place to ensure that that happens.

These international issues, and the other EU issues to which I shall turn in a moment, all merit a co-ordinated approach in the EU. They all require experience, concentration and focus in the Foreign and Commonwealth Office—a subject that brings me to the reshuffle of Ministers, including those who deal with European matters, that has just taken place.

This debate is the first opportunity that the House has had to comment on the resignation letter of the former Europe Minister, the right hon. Member for Don Valley (Caroline Flint). That letter will not be forgotten in a long time, for its perfect embodiment of the truth that Hell hath no fury like a woman scorned. In her letter, the right hon. Lady told the Prime Minister that she was—

Mr. Denis MacShane (Rotherham) (Lab): This was in last week's speech.

Mr. Hague: No, this was not in last week's speech. I can tell the right hon. Gentleman that there is much more to look forward to in this week's speech.

Mr. Keith Simpson (Mid-Norfolk) (Con): He was sacked anyway!

Mr. Hague: The right hon. Member for Rotherham (Mr. MacShane) was sacked as Europe Minister, but the right hon. Member for Don Valley resigned—with a little more dignity. She told the Prime Minister that she was

"extremely disappointed at your failure to have an inclusive Government."

She said that she had been treated by him

"as little more than female window dressing."

She went on to say:

"In my current role, you advised that I would attend Cabinet when Europe was on the agenda. I have only been invited once since October and not to a single political Cabinet—not even the one held a few weeks before the European elections."

She concluded that the Prime Minister had "strained every sinew" of her loyalty—something that may apply to the Foreign Secretary too, although he clearly has more flexible sinews. She later explained on "Woman's Hour" that in her year as Europe Minister, she had not had a single conversation with the Prime Minister about European policy. That on its own tells us a great deal about the dysfunctional and divided Administration that the Prime Minister has produced, but so does the sheer speed with which other Ministers have been, and are, rotated through their positions.

I truly wish the new Ministers who have joined the Foreign Office well, including the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Rhondda (Chris Bryant)—but it is impossible not to notice that this is the second year running in which the Foreign Secretary has had his entire Commons ministerial team shot from under him. We are to have the 11th Europe Minister in only 12 years. Given that it is so obvious to hon. Members in all parts of the House that in foreign policy, experience and knowledge are of some value, and that consistent relations with other countries matter, such a degree of chronic ministerial instability, including on European matters, cannot be good for either the execution or the evaluation of Government policy.

What is more, in a Government allegedly committed to democratic renewal, half the Foreign Office ministerial team now sits in the House of Lords. The Europe

Minister, too, is to sit in the House of Lords, and will be beyond the scrutiny of most elected representatives. At the moment, in the run-up to an important EU summit, I do not think that she is sitting in either House, so she is not accountable to anyone at all. It is genuinely mystifying to me why the Foreign Secretary does not ask for a more stable, accountable ministerial team—or whether he does ask, but is ignored by the Prime Minister. Perhaps a clue to the answer to that lies in the fact that the Foreign Secretary, according to *The Guardian* newspaper, seriously considered resigning 12 nights ago on 4 June.

For a Foreign Secretary seriously to consider resigning is no small matter, particularly on the night of the European elections and in the midst of a Cabinet crisis. I believe that he owes the House an explanation of why he considered resigning, and his own party an explanation of why he thought it was helpful to the Prime Minister to reveal that he had considered resigning. If he has full confidence in the Prime Minister why did he consider resigning, and if he does not have full confidence in the Prime Minister, why did he not conclude that he ought to resign?

Keith Vaz (Leicester, East) (Lab) *rose—*

Mr. Hague: I will give way to another former Europe Minister—one of the 11 in 12 years.

Keith Vaz: This is not an application for my old job. Even though the Minister for Europe is in another place—when she gets to another place—*[Laughter.]* The fact is that the Foreign Secretary always attends the General Affairs and External Relations Council in Brussels, so he can come back to the House afterwards, and is accountable to the House for the decisions that affect his Department as far as Europe is concerned. We have the top guy here, if we need to question him on Europe.

Mr. Hague: We do have the top guy here, but as is evident from what I quoted, we only just have the top guy here, because he was seriously considering resigning. The right hon. Member for Leicester, East (Keith Vaz) makes my point for me, in saying that the Minister for Europe will be in the other place but is now lost in limbo somewhere. There is no Minister for Europe in the Houses of Parliament at the moment.

Ms Angela C. Smith: Is the right hon. Gentleman so fixated on the affairs of the Labour Government and the Foreign Secretary precisely because his party has nothing useful to say about Europe?

Mr. Hague: No. I am about to say a lot about European affairs. I do not think that the House is in any particular hurry today, and I thought that I might dwell on them at some length in a moment. It is not I who am fixated; there was a letter in *The Times* yesterday from a former Foreign Office Minister whom we miss, the right hon. Member for Pontypridd (Dr. Howells), which said:

"The past month or so has been as disastrous for Labour as any I can recall. The next months will be worse if these people, my esteemed colleagues, don't begin to understand that feeding their egos is not the same thing as nourishing the Labour Party. Their apparent inability to resist leaking to their old university chums…their frustrated ambitions may be a consequence of having experienced only the barest of lives and careers outside the House of Cards."

That is the right hon. Member for Pontypridd speaking; it is not I who am fixated on such affairs.

Several hon. Members *rose—*

Mr. Hague: I will try to move on from the subject in a moment, but hon. Members seem to want to intervene on it.

Mr. Andrew Robathan (Blaby) (Con): To whom does my right hon. Friend think that the right hon. Member for Pontypridd (Dr. Howells) was referring when he talked about "Assisted Places Scheme" people?

Mr. Hague: From the context of the letter, the right hon. Member for Pontypridd seemed to have a great many of the Cabinet in mind. He talked about

"The remaining recipients of the Assisted Places Scheme for Cabinet members",

and said that they

"should consider seriously the advantages of putting a sock in it for the next eleven months."

That is the direct language that we really miss from the Government Front-Bench team.

Ms Gisela Stuart: While we are entertaining ourselves with the misfortunes of our prospective opponents' parties, may I invite the right hon. Gentleman to enter a wager with me? I would bet that by Christmas the leader of his party will gracefully have to give in to the demands of his MEPs to rescind the rather foolish decision to leave the European People's party.

Mr. Hague: I am not normally a betting man, but I will take that bet with the hon. Lady. I have no doubt about that. Perhaps we will discuss later behind Madam Deputy Speaker's Chair the quantification of the bet. I do not think there is any danger that what the hon. Lady described will come to pass.

I had not quite finished with the Foreign Secretary's near resignation. He also revealed that he needed to decide very quickly whether to resign—a fact which, given the resignation of two other Cabinet Ministers in the previous two days, and the fact that the resignation of the right hon. Member for Stalybridge and Hyde (James Purnell) had been extensively rumoured for the previous 24 hours, shows an amazing lack of political foresight on the part of the Foreign Secretary, if he had to consider that very quickly.

What is further revealing about the Government is that the crucial conversation that led to the Foreign Secretary's consideration of resigning coming to an end was with Lord Mandelson, who was at that very moment turning himself into the First Secretary of State. Not only is it fascinating to behold that the First Secretary of State, rather than the Prime Minister, was holding together what is left of the Cabinet, but it seems that the Foreign Secretary agreed not to resign from the Government only when he was assured by the noble Lord that he would remain Foreign Secretary. It is good to know that his decisions are based on such selfless and high-minded principles.

Although the Foreign Secretary tried in his speech to depict a division in the Opposition, he should reflect on the fact that the biggest division in politics is not the

[Mr. Hague]

one he imagined in the shadow Cabinet, and possibly not even the one in the Cabinet. The biggest division in politics is the division between his desire to keep his position and his desire to come to the rescue of his party. That is the division inside his own mind, and it is the biggest division in politics today.

The upshot is that in the run-up to another important EU summit and at a time when, according to the results of the European elections, public support for the policies of the Government is at its lowest at any point in the entire democratic history of this country, the Foreign Office Ministers who the Prime Minister wanted to stay have gone, the Ministers who wanted to stay have been removed, and the Foreign Secretary had to agonise about whether to stay or go, having narrowly avoided being removed. It is hardly a recipe for British success at a summit that covers many detailed and difficult issues.

Bob Spink (Castle Point) (Ind): Will the right hon. Gentleman allow me?

Hon. Members: Oh, no!

Mr. Hague: I will allow him. This is the House of Commons.

Bob Spink: Does the right hon. Gentleman agree that the common fisheries policy has led to the wholesale destruction of marine life and our fish stocks, and the decimation of our fishing industry? What would a future Conservative Government do about it?

Mr. Hague: I do deplore the common fisheries policy, as the hon. Gentleman knows, and we have long argued that far greater control over fisheries should pass back to national and regional bodies. We will continue to make that argument, and I am sure that he will continue to make it—even though I think he has left the UK Independence party, which may be something to do with its success in the European elections. *[Interruption.]* We hope he will rejoin it. That might keep it under control.

The draft Council conclusions for the summit on Thursday and Friday put institutional issues at the top of the agenda, but the latest publicly available version has a blank space under the heading "Institutional issues". The Council has two institutional issues of particular importance to discuss, and the Foreign Secretary mentioned both—the guarantees to be offered to the Republic of Ireland in the hope that that will make the renamed EU constitution more palatable to Irish voters, and the timing of the formal nomination of the next President of the European Commission by the European Council.

The EU member states' representatives are meeting today at the EU to thrash out the first. European diplomats are nervously telling the press that the British Government are

"concerned about the perils of reopening discussion on the treaty".

Another helpfully explained that

"there are huge sensitivities around Lisbon for the British government"—

as well there might be.

Mike Gapes: Will the right hon. Gentleman give way?

Mr. Hague: In a moment.

At the European elections, the Conservative party, which campaigned for the British people to have their promised say in a referendum on the Lisbon treaty, won almost as many votes as the Labour and Liberal Democrat parties, which voted against letting British voters have any say at all, put together—an extremely rare event in British elections of any kind.

Mike Gapes *rose—*

Mr. MacShane *rose—*

Mr. Hague: I promised to give way to the Chairman of the Foreign Affairs Committee.

Mike Gapes: Is the right hon. Gentleman pleased or disappointed that opinion polls in the Irish Republic indicate that support for the Lisbon treaty has gone up to 66 per cent., while 34 per cent. support the no camp? Would he rather the treaty were carried in the Irish Republic, therefore taking his problem off the agenda, or does he want the Irish to scupper the treaty?

Mr. Hague: I am not going to try to tell the Irish voters how to vote—nor, after the experience of the Irish referendum last year, am I going to think that opinion polls are a reliable guide to their opinion.

Seldom can a British Government have gone into European negotiations with a greater lack of moral or democratic authority, as a result of the European elections. The Government and our European partners know that Ministers are trying to force through a treaty that, by every test of public opinion, the British people do not want. Ministers must negotiate knowing that the more satisfactory the guarantees offered to Irish voters to meet their concerns, the more pressing the case to consult the British people so that they can express their concerns as well.

Mr. John Gummer (Suffolk, Coastal) (Con): Does my right hon. Friend accept that some of us who are in favour of the Lisbon treaty and against referendums still believe that parties that promise a referendum to the people of Britain ought to keep that promise? I believe a referendum to be contrary to the nature of parliamentary democracy—but we did have a promise, and that promise has been broken. That is what undermines the moral authority of this Government.

Mr. Hague: My right hon. Friend puts his point fairly and powerfully. It is the making of such promises and the flagrant breaking of them that undermines trust in politics in this country, undermines trust in how the affairs of the European Union are handled, and thus feeds public disenchantment with those affairs.

Mr. MacShane *rose—*

Mr. Hague: I must give way. The right hon. Gentleman referred earlier to "Hamlet" without the prince, and a European debate without him would be like "Hamlet" without the third gravedigger or something like that, so I shall give way to him.

Mr. MacShane: Alas, poor Hague! I knew him well.

The right hon. Gentleman referred to moral authority. On 14 June *The Independent* stated that the Conservative party is considering linking up with the Mouvement pour la France, headed by Philippe de Villiers. Mr. de Villiers is a noted Islamophobe in France, and has made remarks about cosmopolitan financiers which many people have interpreted as being anti-Semitic. Can the right hon. Gentleman assure the House that the Conservative party will not enter into any alliance with that Eurosceptic party from France?

Mr. Hague: Yes I can, actually. There is no proposal to that effect, and no discussions about that party being any part of the new group that we are forming in the European Parliament.

I look forward to hearing later from the new Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Rhondda, about whether the British Government will grant the Republic of Ireland proper legally binding guarantees in the form of protocols in the areas where the Irish Government seek them.

On the second institutional issue, the formal recommendation of the next President of the European Commission is obviously of enormous importance to the EU's agenda for the next five years. Germany and the incoming Swedish presidency have made their position clear on the timing, but I am not sure that the Foreign Secretary has. He endorsed President Barroso and his work, and I welcomed that, but I hope that the Foreign Secretary will also make it clear that there is every reason for the Council to make the formal recommendation on the President of the Commission now, rather than letting the recommendation drift until October. */Interruption./* The Foreign Secretary looks as if I have just asked a tiresome question, but I take it from that that he did not make the point clear earlier in his speech. He ought to have done.

Although we certainly have some important points of difference with Mr. Barroso on some extremely important matters, such as the Lisbon treaty, there is much in his Commission's record of which he can rightly be proud: real progress on developing the single market and cutting the cost of EU regulation, including the introduction of regulatory impact assessments; a vice-president of the Commission with specific responsibility for better regulation; greater sensitivity to small businesses; a start to tackling the challenge of climate change, and so on.

Mr. Cash: In November 2005, the leader of our party spoke categorically about an imperative policy in relation to competitiveness and the need for repatriation. Does the word "discussions", used by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) the other day, contradict the word "repatriation" in that context? We should be able to be entirely clear about whether the word "discussions" was inappropriate and needs to be rejected.

Mr. Hague: My hon. Friend can rest assured that nothing that any other colleague has said contradicts the explanations of European policy that my right hon. Friend the Leader of the Opposition and I have given. Those are, I assure him, the definitive text on these matters, and they will remain so.

Mr. Redwood: I am grateful to the shadow Foreign Secretary for giving way. Will he use this opportunity to send a message to countries that have not yet ratified the Lisbon treaty? The message is that a future Conservative Government would hold an immediate referendum, and that the British people would be very likely to veto the treaty for them—so countries should hang on and not ratify, to give us the chance to do what they want us to do.

Mr. Hague: Those countries must make their own decisions; it is not for us to dictate to them what their decision must be. However, my right hon. Friend is correct in his description of the situation. The Lisbon treaty referendum, which all parties promised at the last general election, will certainly be implemented if the treaty remains unratified and is still on the table at the time of the next general election.

Mr. Davidson: As the right hon. Gentleman is aware, I am and was in favour of a referendum. However, unless I am mistaken, he is being delightfully vague about what his party would do if the Lisbon treaty had been ratified and there were a Conservative Government. Would a Conservative Government hold a referendum in Britain if the Lisbon treaty had been ratified throughout the EU—yes or no? Many people who voted UKIP in the elections, not to mention many others, would very much like to hear the answer.

Mr. Hague: The hon. Gentleman will recall that we were being asked that question a year ago, on the grounds that that situation was, apparently, about to come about because the opinion polls in Ireland showed that the Irish people would approve the treaty. If what the hon. Gentleman has mentioned comes to pass, we will set out in our general election manifesto how we will proceed. */Interruption./* The Foreign Secretary laughs, but I suspect that he, as an enthusiast for the Lisbon treaty and for all the institutional changes that it brings, cannot say how he intends to proceed if the Lisbon treaty is not ratified. In that sense, we all face the hypothetical questions of the future which will soon be determined by whether the treaty is ratified or not.

Mr. Davidson *rose—*

Mr. Hague: As the hon. Gentleman is one of those in the Labour party who stands for making some compromise with the electorate, I shall give him the opportunity to intervene again.

Mr. Davidson: I take it that the right hon. Gentleman's reply was not a yes or a no—it was either a "don't know" or a "won't say".

Mr. Hague: It is simply that we have not ruled that in or out. That is the correct position when faced with that hypothesis. There is no doubt whatever about what will happen if the Lisbon treaty is unratified and still on the table. Who knows whether that situation will come to pass?

Mr. Gummer: Will my right hon. Friend give way?

Mr. Hague: I think I should move on, but I shall give way; I shall then make some progress.

Mr. Gummer: Did my right hon. Friend notice that not a single Member from the Labour party cried that there would not be a Conservative Government after the next election? They have all accepted that that is what will happen.

Mr. Hague: My right hon. Friend may be pleased to know that I did notice that, but I have noticed that for a good year or so in these debates, as Labour Members' morale has steadily sunk lower—although not quite as low as their party's election results last week.

I was talking about the European Commission. Not all its legislative agenda has been wise; it is not coherent to seek to cut the costs of regulation on business on the one hand and then raise them by putting up the cost of employing temporary workers. The agency workers directive was rightly opposed by the Government until, in one of too many instances of their flaccid defence of British interest, that resistance was abandoned. That emphasises how important it is for us to restore our national control over social and employment legislation so that once again decisions on how best to help our families and businesses can be made here in Britain—a policy that today again received the support of the CBI.

Most important of all, the Commission has stood against those who have called for protectionism—a brave position that was not helped by the Prime Minister's ill-advised use of the slogan, "British jobs for British workers". If Mr. Barroso is to be reappointed, I hope that the British Government will seek assurances that he will not be diverted from the course that he has set on free market issues over the past five years, that that will be reflected in the composition of the next Commission overall, and that the Government will urge that this recommendation is made now rather than drifting on until October.

The Foreign Secretary referred to the discussion of new financial regulations in the context of this weekend's summit. The alternative investment fund managers directive and the proposals on EU financial services supervision could have a most serious effect on Britain's financial services industry, as one or two colleagues, including my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), said. The truth is that we have reason to be extremely concerned about how this legislation is shaping up and how the Government are handling the issue. There is not so much any fundamental difference of principle between those on the two Front Benches as a concern about how well the Government are pursuing the British national interest in these matters. There is a widespread belief that the Government have taken their eye off the ball, and it is now very important that Ministers focus on this.

In the draft Council conclusions, there is a great deal of language about the need for "rapid progress" and legislation "as soon as possible", but it is surely far more important that we get the regulations right than that we get them quickly. Otherwise, we risk making the same mistake at European level that the United States made with the Sarbanes-Oxley Act. Instead of rushing into ill-considered regulation, we should be facing the immediate challenge of rebuilding confidence in European banks.

Even within the Commission grave concerns are privately expressed about the lack of proper consultation and of a thorough regulatory impact on the proposed fund managers directive. That point has been powerfully reinforced this week by the Lords EU Committee report into the future of EU financial regulation, which concluded that

"the desire for speedy action must not come at the expense of thorough consultation, impact assessment and risk analysis by the Commission in line with their own Better Regulation principles."

After months in which Treasury Ministers have been absent from the European debate, although they are part of a Government who always lecture us on taking part in European discussions, we welcome the news that at last Lord Myners is to visit Sweden to discuss these issues with the incoming presidency. We hope that at the Council the Government will ensure that the final language reflects Britain's interests.

The establishment of a European systemic risk board is to be strongly welcomed; we support better analysis of the macro-prudential risks. However, decisions on what action should be taken in response to the risks that the board identifies are taken by national Governments, not by the EU. The board must embrace the whole EU, so it would clearly be inappropriate for it to be chaired by the president of the European Central Bank.

Mr. Heathcoat-Amory: I think that I can help my right hon. Friend and the House, because we have the draft conclusions, although we did not obtain them from the Government: we had to obtain them from the Danish Parliament website. It is clear that the Council has already decided to go well beyond macro-supervision by regulating alternative investment funds, undertaking micro-prudential supervision, and setting up a European system of financial supervisors going way beyond what my right hon. Friend suggests. We are really up against it. We are already isolated, and it is apparent from the conclusions already published that the Government have already given in.

Mr. Hague: I suspect that there is a great deal of truth in what my right hon. Friend says. In fact, there clearly is, because he reads from the proposed conclusions. I was about to come to his point about the proposed European system of financial supervisors, which should supplement and strengthen, rather than seek to replace, the role of national supervisors. That is a point of great importance for the Financial Services Authority.

Proposals to give the three authorities proposed in the de Larosière report legally binding powers over national supervisors would represent a significant transfer of power from member states to the European Union, in an area in which Britain has a great deal at stake and the dangers are more apparent than the advantages. Moreover, as the Institute of Directors has pointed out today, the distinction that the Government seem to be seeking to draw between financial supervision and regulation in the proposed system is very dubious.

We want the Government to ensure that the Council makes no hasty decisions on the Commission's communication of last month until the proposals have been properly thought through. As the Lords Committee said,

"thorough and careful debate of the alternatives is more important than speed of decision on the outcome."

Given how closely these matters touch on a crucial pillar of the British economy, we would expect the Government to discuss them with EU partners and the

President of the Commission. We would expect them to advocate our national interest with the necessary firmness, not just meekly give in as my right hon. Friend the Member for Wells described, so that there was no doubt about the importance that Britain attaches to the issue.

Mr. Davey: I have a lot of agreement with the right hon. Gentleman, particularly about the need for greater consultation on these matters. Will he explain the general Conservative position? Does the Conservative party support greater co-ordination between nation states on financial regulation, given some of the problems that we have seen in the past two years?

Mr. Hague: We certainly support greater co-ordination, but we do not want to see the end of national supervision and regulation. It is strategically and economically important for this country to be able to continue that. It is possible to get the balance right, but the evidence is mounting that it is going wrong in the negotiations that are now taking place.

Mr. Bailey *rose—*

Mr. Hague: I feel that I have spoken for a long time, but I shall give way one more time.

Mr. Bailey: I thank the right hon. Gentleman. It is generous of him to give way at this stage in his speech. May I bring to his attention the comments made by the Minister in the other place, Lord Myners, when interviewed by the European Scrutiny Committee? They are broadly in line with the demands that he makes. When asked about national supervisory powers, Lord Myners said that

"we are not content with the suggested powers for EU authorities to change national supervisory decisions through binding mediation. We think that this, again, cuts across the basic principle of vesting supervision in national authorities where it is linked to fiscal accountability and responsibility."

Is the right hon. Gentleman demanding something from the Government to which the Government are already committed?

Mr. Hague: As I mentioned a few moments ago, I do not believe that there is a huge difference of opinion on that between the Government and Opposition Front-Bench teams, and perhaps not even with the Liberal Democrats. We are questioning the Government's effectiveness and firmness in pursuing the objectives that the hon. Gentleman talks about. The Government are fond of telling us that it is very important to be engaged in Europe and not to be at its margins, but over the past few months it seems that Treasury Ministers have been at the margins of Europe and have not been sufficiently well engaged to protect the British national interest in this crucial area. The debate is about the effectiveness of Government action within Europe rather than about British objectives.

Kelvin Hopkins *rose—*

Mr. Hague: I said that I was not going to give way much more, but go on.

Kelvin Hopkins: I thank the right hon. Gentleman. Would he go further and say that rather than being at the margins, the British Government have been in the lead in having common sense in their macro-economic policies and method of dealing with the recession, and that we have done rather better than the eurozone in those matters? Will he confirm what I believe is the sensible view: that we should stay well clear of the eurozone and keep control of macro-economic policy?

Mr. Hague: The hon. Gentleman will know that I will go part way with him on that. Of course we should stay well clear of the eurozone, but I am not going to hazard a guess at the relative severity of the recession in different countries. I suspect that all of us who are suspicious of economic forecasts would do well to avoid such predictions.

There is one more subject that I wish to raise, and I shall try to do so very briefly. I know that the Foreign Secretary is extremely concerned about it, but he did not mention it in his remarks. It is the position in the western Balkans, and I make no apology for taking a few minutes at the end of my speech to raise the matter.

Although Bosnia and Herzegovina signed a stabilisation and association agreement with the EU in 2008, the country seems to be stuck. Important conditions go unfulfilled, few laws are passed, the central institutions are undermined and movement towards the EU is barely discernible. The entity of Republic Srpska continues to unravel some hard-won gains, including reforms required by the EU. Last month, the Republic Srpska Parliament voted to transfer all 68 state powers to entity levels, meaning that that part of Bosnia would no longer be bound by laws passed in the country's capital. The High Representative in Bosnia has called for the decision to be revoked, but last week, Republic Srpska pressed ahead none the less, reversing the principal achievements in the past 14 years of the international community's efforts in Bosnia without a single cry of protest, as far as I could detect, from European capitals.

We are greatly concerned that the framework that helped Bosnia make remarkable progress since the end of the war in 1995 is being gradually dismantled. The office of High Representative is expected to close in October. The use of Bonn powers has become unpopular in EU capitals. There is a desire for transfer of power to an EU mission, perhaps prematurely. We hope that the Government will agree with us and make it clear to other European countries that the international High Representative in Bosnia must have rock solid support from the EU and the rest of the international community as he addresses the problems, even if he deems that circumstances require him to exercise his Bonn powers.

The lack of progress in Bosnia in the past three years has been accompanied by the downsizing of EUFOR's deterrent capacity. As that trend continues, there are reports, about which Ministers may want to comment, of plans for EUFOR to relinquish its UN chapter VII authority, which we do not believe is justified. I hope that the Government agree that the international executive powers in Bosnia need to be retained for some time, along with a credible enforcement capability, as well as external guarantees for security and the rule of law—in particular the international judges and prosecutors, who are mentoring the fragile state institutions there.

Is not it also the case that stopping the backsliding in Bosnia will require sustained, high-level US involvement? I hope that the Foreign Secretary will pursue with his US counterparts the idea of a new US special envoy to Bosnia to prevent such backsliding. Continued efforts

[Mr. Hague]

should also be made through the International Criminal Tribunal for the Former Yugoslavia to achieve justice for victims of war crimes and crimes against humanity.

Mr. MacShane: I am grateful for that part of the right hon. Gentleman's speech. It is a substantive, major contribution and he is absolutely right. May I put it gently to him that the Conservative party continually condemns EU common foreign and security policy and EUFOR, and makes remarks about exactly the work that he mentioned, which undermine it? One cannot be so hostile to the European Union then demand that it become stronger and more authoritative in the western Balkans. I ask not that the right hon. Gentleman make one of his Oxford Union replies to me, but that he reflects on the contradiction between his hostility to Europe's common foreign and security policy interventions and the passionate and powerful plea that he has just made at the Dispatch Box.

Mr. Hague: The right hon. Gentleman and I differ in our philosophy of Europe. I see no contradiction between the positions that the Conservative party advocates and wanting a strong EU role in the affairs that I am considering. I have always been comfortable with the EU's taking a leading role on the Balkans—although I think that that works effectively only when there is strong US leadership on the Balkans; that is why I put that point to the Foreign Secretary.

Since the right hon. Member for Rotherham (Mr. MacShane) effectively agrees with my point, although he doubts my wider analysis, I hope that he also agrees about the important role that Serbia can and should play. Serbia is a European country and should be encouraged on its road to join the EU. We should welcome steps by the Serbian Government to improve their co-operation with the ICTY. However, only when Mladic and Hadzic are in The Hague can we speak about Serbia's full co-operation with the ICTY. Only then should we support the coming into force of Serbia's interim stabilisation and association agreement.

I understand the argument that imposing such conditions makes it difficult for the reformist Government in Belgrade to withstand nationalist forces, but what stands between Serbia and the EU is not our insistence on full co-operation with the ICTY, but two alleged war criminals, whose extradition Serbia needs to facilitate. I therefore hope that the British Government will stand with the Belgian and Dutch Governments and be firm about that in EU discussions. Perhaps Ministers will be able to comment on that at the end of the debate.

I have taken up a large amount of the House's time, albeit with a huge number of interventions. There is clearly a wide range of issues that the EU summit should consider this week, including Iran, Pakistan, Burma and the Balkans, and I have not even mentioned Georgia, which I had hoped to. All are major foreign policy issues that would benefit from a cohesive and, in the main, a more robust approach from the European Union, of which—just so the right hon. Member for Rotherham is in no doubt—we are fully in favour.

We hope that the Government will do everything possible to work hard on those causes. However, we also hope that they will bring about a speedy decision on the Commission presidency, that they will mount a stronger, albeit belated defence of the national interest in financial regulation and supervision, and that Ministers who have spent too long defending themselves against each other in recent weeks will be vigilant in defending British national interests at this week's meeting of the European Council.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. May I remind all right hon. and hon. Members that Mr. Speaker has imposed a 20-minute time limit on all Back-Bench contributions?

5.51 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): It is a great honour to follow the right hon. Member for Richmond, Yorks (Mr. Hague). Many of us in the Chamber have spent years debating matters European, and I hope that I will be forgiven for returning to some matters that we have talked about before, because this debate comes in the wake of the European elections.

We cannot ignore the fact that, yet again, we have had European elections in which voters have cast their vote on anything other than the matters of Europe. It was the same in the four European elections in which I took part from 1994. The electorate go out and cast their votes in dwindling numbers on something that is not on the ballot paper. This time, we should be worried about the fact that around one third of the Members who represent this country in the European Parliament have an agenda based on not co-operating in any way. None of the major political parties can be proud of what happened a couple of weeks ago.

I also hope that the Foreign Secretary or his ministerial colleague in his winding-up speech will address the fact that, were the Lisbon treaty to be ratified, it would create an extra MEP for the United Kingdom. However, I am not entirely sure how the Government intend to deal with that, if the treaty were to be ratified.

I have thought about how we could deal with the complete disengagement from Europe. My right hon. Friend the Member for Rotherham (Mr. MacShane) and others keep telling us that we need to learn to love Europe, and I thought, "How do you learn to love a foreign country?" I cast my mind back to what it was like when I arrived here 30 years ago, and I remembered that three things struck me then that probably still apply to Europe. One was that when people say, "How are you?" they do not want to know how the other person is—it is a kind of ritual. It took me a long time before I realised that one does not answer; one just says, "Fine, thank you." Similarly, European elections may be called elections, but they are not what we might think they are. They do not result in a Government whom people recognise or in a change of political direction, so although we call them elections, they are not elections. European elections are something in the democratic process that we have not yet learned to define—they are almost like a Europe-wide opinion poll on something. We call them elections, but people simply will not engage if they do not have a definable influence.

The second thing—again, it took me a long time before I realised this—was that neither Danny La Rue nor Dame Edna Everage were what they seemed to be.

That is so obvious to the natives, but no one ever spells it out to those who come here as foreigners. Eventually, one finally realises Dame Edna ain't no dame—and certainly no Edna either—and the European Parliament is pretty much the same. We call it a Parliament, but it does not do anything that we would recognise a parliamentary democracy as doing. The European Parliament is a caucusing body that is incredibly responsive to lobbying institutions, but it is completely unresponsive to public opinion. It may have been a long time before we got the message of what people thought about how we organise ourselves in this place, but, whatever one says about the past few months in the British Parliament, we did get the message. There were mechanisms that meant that we had to respond to the public, but the European Parliament and the Commission almost take pride in being unresponsive to what the public think.

The third thing—this one probably took me the longest—struck me while listening to Mornington Crescent on "I'm Sorry I Haven't a Clue". For those who do not live in the metropolis or are unfamiliar with the tube lines, it can take a pretty long time to realise what the true rules of Mornington Crescent are.

Mr. Davey: There aren't any.

Ms Stuart: Precisely, but everybody pretends that there are. Similarly, when one tries to explain to the British public how the European Union operates on a political level, one can explain the rules, but they are complied with only inasmuch as it suits the institutions to do so.

The Lisbon treaty is the classic example of that. A referendum is held, but we do not take any notice until people say yes. The Government say, "Well, we're not going to get into hypothetical discussions about what will happen if it isn't ratified," while the Opposition say, "Well, you know, don't trust what the Irish are going to say." The only thing that the public out there really know is that there is a political agenda that is defined by people whom they neither elect nor can remove, but who relentlessly pursue a direction over which they feel they have no influence. *[Interruption.]* It is no good scowling—that is how it is. If it were not so, why, for 20 years—over my entire political career—have European elections not been fought on anything to do with Europe? I do not know what the political families stand for, and I certainly do not know how they vote once they are elected.

This is not a party political point, but I put it to the Foreign Secretary that it is worrying if a governing party has only 13 MEPs out of 72, as we now have. I know that in the past our MEPs have quite often not voted with the Government anyway. We have had our problems, and Opposition Members will have similar problems with their MEPs. However, there is a serious disconnect when the political shaping of those who represent us at the European level is so fundamentally out of sync with the political direction of the Government here.

Mr. Peter Bone (Wellingborough) (Con): The hon. Lady is making an interesting and well-thought-out argument, but I would question her on one aspect. When the European elections took place, there were two elections in most areas: a county election and a European election. Voters were voting Conservative and, to a certain extent, Labour in the county elections, but voting for the UK Independence party in the European election. The great British public were sending a message about Europe, even if in a coded manner, by voting UKIP.

Ms Stuart: I am not so convinced. We did not have local elections in my constituency, and the result was essentially 21 per cent. for Labour and 27 per cent. for the Tories. That is why I say that none of the parties should be too joyful. Our analysis was that it was not possible readily to identify where either the UKIP or BNP vote came from. It was more the case that there was a protest vote against the European Union in the previous election; but this time there was a larger vote saying: "A curse on all your houses," with the houses being the established political parties.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op) *rose—*

Mr. Davidson *rose—*

Ms Stuart: I give way to my Scottish colleague.

Mr. Davidson: We are both Scottish colleagues. There are perhaps two things that we can take out of the European elections. One is the myth that proportional representation results in a greater connection with the electorate and a bigger turnout, which clearly does not apply. Secondly, my hon. Friend is downplaying the message that the electorate sent us. We cannot disregard the fact that UKIP polled astonishingly well—far better than anybody would have imagined before the elections—which surely cannot be unconnected with the hostility towards the European Union.

Ms Stuart: Certainly, but my argument is a much wider one, about the disengagement from the political processes. We have become fixated with the process of elections, but just as an exam in school comes at the end of the year, but needs a whole year of work, we need engagement and debate, so that people know what the issue is all about. We simply do not have political engagement at the European level, so when elections come every four years, people do not engage with them.

Mark Lazarowicz: As it happens, I agree with my hon. Friend the Member for Glasgow, South-West (Mr. Davidson) that the votes in the election cannot be written off as unconnected with people's views on the European Union. My view is that many of those views are due to misleading propaganda about the European Union from the media and, indeed, Eurosceptic Members of Parliament. Leaving that aside, however, I am interested in my hon. Friend's comments about the European Parliament. Is her conclusion that it should have more power or that we should not directly elect MEPs? What is the direction in which she is going?

Ms Stuart: First, can we please stop using the labels "Eurosceptic" and "Europhobe"? They are completely and utterly meaningless. There are very few people who would actually advocate withdrawal from the European Union. It is disingenuous and quite insulting to accuse anyone who wants a different kind of relationship with Europe of being Europhobic. It is the same as calling

[Ms Gisela Stuart]

anyone who questions the governing party in a general election an anti-democrat. I simply do not agree with that particular model.

We have an extremely important question to face on the European Parliament: do we think that the level of engagement is at European level or at national level? I have noticed that, over the past 20 years, every time we give the European Parliament more powers, the turnout at the elections goes down. I would be prepared—not here; this is not the place—to argue the case for getting rid of the European Parliament and going back to the double mandate. I will not go down that route now because that is not the argument for today.

At the European Council, I hope that the Foreign Secretary and his colleagues will not say that the electorate simply do not understand these matters, because this is not just a British phenomenon; it is simply more prominent in the United Kingdom. I hope that they will address why the political leaders increasingly want collective solutions. Even though they might not be moving towards a federal state, they increasingly go for collective solutions at European level, and at the same time, the electorate increasingly withdraws from thinking that that is the right way forward.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): I speak as a former Member of the European Parliament. There are two reasons why the electorate feel so disengaged from the European Union. The first is that, despite the answer to a question in the Bundestag revealing that 70 per cent. of our legislation is now being formed in Europe, we would be hard pressed to find any coverage of that formation process in the British press. The second is the fact that, when we discuss European legislation in this House, we do so after the horse has bolted. Perhaps we should be more proactive and discuss European legislation at its formative stage, when the Commission brings forward the proposals, rather than when everything has been done and dusted in the Council and it is too late to make any real changes.

Ms Stuart: I agree with the hon. Gentleman, but only up to a point. I would love to blame the press, but on this occasion, I do not think that that would do any good. There are institutional problems involved. For example, it would be worth seriously considering the proposal that an incoming Commission should press the delete button on any proposals from the previous Commission's term that have not been completed. Such proposals should simply go, rather than being negotiated right to the end. We should also stop the rather dishonest system of delaying implementation. When something is politically difficult and a compromise is just about reached on it, the final dodge is to delay its implementation for a further five or 10 years. That means that no one who made the decisions is ever accountable for them.

The third problem is one that really grieves me. I know that the recent reshuffle was not the Foreign Secretary's responsibility, although some of us might quite like him to be the person who does the reshuffling—[HON. MEMBERS: "Ah!"] But that is neither here nor there. We now have a Europe Minister who is not in the Commons, and that is deeply unsatisfactory. I would quite like the Europe Minister to have almost the status of a Deputy Prime Minister. I would like them to have the role of UKRep—the UK permanent representative in Brussels, a political role—and to be accountable here for all the compromises and deals that we strike. That would address the problem of the deals and negotiations not being reported here. The reason that they are not reported and debated in a meaningful way here is because, first, they are very long-winded and drawn out, with some lasting well beyond the lifespan of a Parliament, and, secondly, they are usually part of a trade-off. We cannot neatly label them as being simply health matters or environment matters, for example; they are always part of a trade-off. UKRep would fulfil the role that I have described.

If we in this place are serious about these matters, we must not fool ourselves. To reassure myself that I was right, I recently attended two European Committees. One was on external services; the other was on the environment. They really are the stuff that masochists are made for! We sat there for hours, for absolutely no purpose whatever. Everything that we were told was hypothetical—these things might or might not happen—and no decisions were reached. So, just being told more would not be the answer. When the Foreign Secretary talks to his colleagues here, he needs to engage with the election result and seriously think about the question of accountability and the fact that we are going in the wrong direction.

Finally, on a separate note, we have talked about the new Pakistan council, which will be an extremely important development. However, those of us who go to Pakistan and Afghanistan are surprised by the absolute plethora of representatives involved. There is the UK special representative, the French special representative and the Spanish special representative, as well as the EU Commission representative and the EU Council representatives. It would be really worth while for our European partners, as well as the Council and the Commission—which are often dually represented—to decide who should take the lead and to co-ordinate these arrangements much better. We have an important role to play in areas such as Pakistan and Afghanistan, but, at the moment, we are probably still speaking with too many voices.

6.5 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The hon. Member for Birmingham, Edgbaston (Ms Stuart) has made in interesting speech. People who describe themselves as pro-European, as well as those who are slightly sceptical—I know that she does not like that term—about the direction of travel in the European Union will be able to agree with much of what she said. It was also interesting that she seemed to be forming a leadership team for the Foreign Secretary during her speech.

The hon. Lady mentioned the need to reconnect with voters, and that is really important. She will not be surprised to learn that I draw different conclusions from hers, but there are ideas that we can share across the House and across the parties. For example, I think that we should have a Question Time in this House on European affairs as part of our regular questions. Putting European matters in with Foreign and Commonwealth Office questions, for example, pushes too much into an hour of questions. It would be good for accountability

to separate them out. That would be a relatively modest reform, and I think that we could find agreement on it across the House. Perhaps it would help to get these issues debated more regularly—

Mr. Bone: There is no Europe Minister here.

Mr. Davey: The hon. Gentleman makes a very good point, but I would point out that the noble Baroness Thatcher, in her first Administration, appointed a Foreign Secretary who was in the other place. The Conservatives therefore need to be slightly careful on this matter—*[Interruption.]* The right hon. Member for Richmond, Yorks (Mr. Hague) cannot simply say that that was a long time ago. It was at the time of the Franks inquiry, and I could take him back to another point that does not reflect well on his party.

The hon. Member for Birmingham, Edgbaston made a very good speech, although I have to say that, when I was on the doorsteps, I found that those who wanted to engage in a debate on the European issue—some of whom were hostile to my opinions—actually relished the opportunity to do so. They saw it as separate from all the other issues that we debate as politicians. So I would not want to see the elections go away; they are a healthy part of our democracy. And let us face it: the whole debate in the media and in this place in the run-up to the elections was dominated not by Europe but by expenses. That was one reason why the campaign was quite disappointing.

I had an interesting radio debate with the hon. Member for Rayleigh (Mr. Francois) during the campaign. He and I were eager and enthusiastic in that debate, because it was the only one that we had in the broadcast media throughout the whole campaign. We disagreed vehemently on the issues, but we both felt that it was quite wrong that that was the only time that Front-Bench spokesmen had been allowed on to the media to debate Europe during a European election campaign. We need those debates during our campaigns, in order to connect with the voters. Yes, there might have been exceptional circumstances, but the media need to be criticised for not attempting to compensate for them.

Mr. Davidson: The hon. Gentleman said that the discussions and decisions in the European elections were nothing to do with Europe. Why, then, did a party that is generally seen as Eurosceptic get three or four times as many votes as the party that is seen as Euro-obsessive? Does not that indicate the relative popularity of the parties' positions?

Mr. Davey: I did not say that European issues were not debated; I think that they should have been debated more. I do not deny that many people out there are against Europe and say that we should not go into Europe, even though we have been there for many decades. But that is not going to stop me or my party arguing the case for Europe, because we happen to believe in it. I am sure that the hon. Gentleman would not ditch his beliefs just because they were unpopular, and I hope that they were not determined by focus groups and opinion polls; otherwise, why on earth did he come into politics?

The House is debating European affairs today, and we have the European Council ahead of us. Although there is a packed agenda, I hope that the Foreign Secretary—or, at least, the Minister who will wind up the debate—will say a little more about how the British Government want the Council to address the economic issues that are facing us. We had the G20 summit in April, so presumably European Ministers will discuss the implementation of some of the agreements made there. I hope that we can have a little more focus on these pressing economic issues.

I know that the European Union has quite an ambitious agenda of employment-creating ideas and ideas for small business, but what is missing from the current agenda to deal with our current economic problems is any new determination to press forward on the single market. One of the reasons why we are not going even further in a downwards spiral in the world economy is that at least in this period, as opposed to the 1930s, we have not gone down the road of protectionism, as, overall, most countries support the idea of free markets. Surely, however, a deepened and strengthened single market is the way forward to help us out of the EU's current economic crisis.

Kelvin Hopkins: Does the hon. Gentleman not accept that what actually happened in the 1930s was heavy deflation, particularly in Germany, but also elsewhere? It was deflation that caused the recession, not protectionism, as the hon. Gentleman calls it. Indeed, when tariffs were imposed later on, it helped countries to reflate behind those tariff barriers and get out of recession.

Mr. Davey: I totally disagree with that analysis of economic history. I think it was only when we started getting rid of the tariffs that we saw the expansion of the world economy, particularly after the second world war. I hope the Minister will say a little more in his response about the economic agenda.

I agree with much of what the right hon. Member for Richmond, Yorks said about the financial services. I know that the Foreign Secretary believes that the devil is in the detail; of course it is, but we need to be very clear in our overall principles. There must, of course, be supra-national co-ordination. We all know that capital markets are international and global, so the EU has a clear role to play, but so does the global community, which is why G20 developments are so important. The capital markets are not just European, but global, so we must ensure a European voice is heard and that Europe's conclusions are played into the global debate.

I agree that there is some concern that the European Commission is going too fast in trying to put some of proposals forward. In the initial part of the recession we rightly saw emergency measures taken to save the banking system. I thought that the Government were a little slow to act, but overall, those emergency measures were the right approach. What we are talking about now, however, is medium and long-term reform, and there is no need to rush to get those reforms through in the next 12 months. That would be extremely unwise. We need proper debate because these are incredibly complex matters.

Where the right hon. Member for Richmond, Yorks and I may disagree is that we Liberal Democrats see a role for the European Union in the regulation and supervision of financial markets, and welcome that. That does not mean that the EU should take over every aspect of national regulation—of course not, but some issues are clearly supra-national, which is why an organisation such as the European Union is so helpful.

[Mr. Davey]

Tackling climate change is, as the Foreign Secretary said, absolutely critical. Although we have seen some developments to prepare for Copenhagen under the Czech presidency, I have to say that I have been disappointed by their lack of depth and speed. I only hope that the Swedish presidency will take those issues forward much further. The EU has a critical role to play in Copenhagen, so I hope that the Foreign Secretary will talk to his Swedish counterparts at this European Council to encourage them to go as far as possible in tackling the vested interests in some EU member states that are getting in the way of a much stronger deal in Copenhagen and a more powerful EU voice in it.

We have rightly debated some of the external affairs issues that will crop up at the European Council. The right hon. Member for Richmond, Yorks tackled the issue of Burma in detail. I think that the EU needs to make it clear to the Burmese military junta that if it does not allow the opposition parties the freedom to campaign and if it starts imprisoning their leaders, the credibility of the elections promised for 2010 will be undermined absolutely. We must be strong in our warnings that if that happens, it will lead to even further isolation and even stronger sanctions against the Burmese Government.

I agree with much of what the Foreign Secretary said about Afghanistan and Pakistan. On Pakistan, we need to do even more to ensure that the humanitarian aid gets through to the 2 million or more refugees created by the conflict in the Swat valley. There are too many reports of that humanitarian aid failing to get through.

We must also consider the institutional aspects to the European Council. We have debated the Lisbon treaty and where it will go. I think we need to listen to the Irish Government and see whether we can accommodate them—of course we should. If there is talk of protocols to deal with the concerns of the Irish people, and the Irish Government's view of those concerns, we should be supportive. I have to say, however, that many of the concerns brought up at the last referendum were, of course, bogus ones, because issues about neutrality, abortion and the right to life were nowhere near the terms of treaty of Lisbon, as we all know.

Mr. Cash: If I may say so, I think that the hon. Gentleman is effectively insulting the Irish people by referring to the concerns as bogus. Anyone who knows anything about the issue—I am wondering whether he does—knows the reality. As a confidential memo handed over only yesterday to other member states—the Foreign Secretary knows about this, as do I as a member of the European Scrutiny Committee—clearly indicates, the legal guarantees being provided are worthless in the context of treaty change. The hon. Gentleman referred to protocol; if what he said were true, it would actually change the treaty, so he should just stop insulting the Irish people.

Mr. Davey: I was not insulting the Irish people, of course, and I am not surprised that the hon. Gentleman disagrees with me on this issue. What he cannot do is point to anything in the Lisbon treaty that would undermine Ireland's neutrality or Irish views on the right to life, or force Ireland away from its current laws.

We have had some debate about the Conservative position on the Lisbon treaty and what it might be in various hypothetical situations. My suspicion is that those on the Conservative Front Bench would very much like to see Lisbon ratified, because if it is not, they will have to hold a referendum. Can you imagine, Mr. Deputy Speaker, the first act of a putative new Conservative Government being to hold a referendum on a treaty that the rest of Europe will almost certainly have ratified? I think it is a quite extraordinary position that would massively set back the Conservative party's foreign policy. It is a ludicrous position. Most people are focused on what will happen if Lisbon is ratified, so what on earth does the phrase "We will not let matters rest" actually mean? Today we have yet again had no explanation today. The issue becomes more interesting, if not slightly frightening, if we contemplate what would happen if Lisbon were not ratified and the Conservatives had to deliver on their promise.

Sammy Wilson (East Antrim) (DUP): I notice the relish with which the hon. Gentleman contemplates the discomfort that he believes the Conservative party may feel if the matter has to go to referendum, but does not his speech suggest that he is afraid of a referendum? He wants to try to reassure the Irish so that they will accept the Lisbon treaty and not protest as they did last time, and he does not want a referendum here, yet he claims that the people of the UK want to connect with Europe. Is not the best way to connect people with Europe to give them a say on whether they want further European integration?

Mr. Davey: We have certainly debated that many times, and the hon. Gentleman will know that we have just campaigned on a manifesto urging a referendum on the in-out question. That is our position.

Let me deal with the other specific issues that I hope the Foreign Secretary will raise at the European Council. He mentioned immigration, which I understand will be debated with respect to problems in the Mediterranean; I think that it is on the agenda at the insistence of Greece. However, there are concerns in this country about the way in which the whole system works. There are loopholes in the immigration system that affect this country, and we need support, partnership and co-operation with our European partners if we are to tackle them.

I am thinking in particular of what is known as the Lille loophole. People buy a ticket to Lille at Brussels and, rather than getting off the train at Lille, stay on it and come to the United Kingdom. Buying a ticket to Lille means that they need not have their passports with them; they are out of the jurisdiction of the UK Border Agency, and when they arrive in the United Kingdom—no doubt having destroyed any documentation that they have—they are not even checked in the normal way. The Lille loophole should be causing real concern, but although it has been raised on the Floor of the House by Conservative, Labour and Liberal Democrat Members, the Government have done nothing to deal with it. It constitutes a challenge to our immigration affairs, and it is time that the Government took it seriously and raised it with our European partners.

I was expecting to hear from the right hon. Member for Richmond, Yorks some discussion of whom the Conservative party would form a group with in the

European Parliament. As we had expected, the right hon. Gentleman made some fantastic jokes at the Foreign Secretary's expense, but it depressed me slightly that he did not deal with an issue that affects his own party. He will have to do so: he will not be able to escape this for much longer.

The Conservatives' notion of leaving the European People's party strikes me as bizarre. We should remind ourselves that the EPP is the party of Angela Merkel, President Sarkozy and Prime Minister Berlusconi. It represents the centre right, the mainstream of Conservative opinion in Europe, but the Conservative party wants to leave it. That has been criticised by many Conservatives—by former Foreign Secretaries, by the grandees and by Conservative MEPs—but how does it appear to those in the capitals of Europe? What are people in Paris, Bonn, Rome and Madrid thinking about a possible Conservative Government? They must think that the Conservative party has taken leave of its senses.

The Conservatives should think about how this looks in Washington. President Obama, who wants to reach out and engage with the regime in Tehran, looks at the modern Conservative party and sees that it will not even reach out and engage with Conservatives in Europe. If there is ever to be a Conservative Government, what influence will that Government have? Just imagine the first meeting between a putative Prime Minister Cameron and President Obama. President Obama would say "I really need your help: we need to get these Europeans to help us with this issue and that issue. You must have some influence. Oh—you have left the European People's party, so you have no influence whatsoever." A party that may become a Conservative Government is forming a foreign policy which will do this country down. *[Interruption.]* The Conservative Members who are shouting "Rubbish" know in their hearts that they are going into a general election with the most ludicrous foreign policy ever to be put to the British people.

Mr. Bone: *rose—*

Mr. Davey: I happily give way to the hon. Gentleman.

Mr. Bone: I was following the hon. Gentleman's speech with some interest until I lost the thread. Why should a Conservative party that is not federalist sit with a group that is federalist? My right hon. Friend the Member for Witney (Mr. Cameron), who made this promise as leader of our party, is talking common sense and has the support of the British people. That is why this is happening.

Mr. Davey: Given that the hon. Gentleman is a member of the Better Off Out group, I am not surprised that he takes that view.

Mr. Bone *rose—*

Mr. Davey: Perhaps the hon. Gentleman has left the group. The Conservatives are in favour of leaving lots of groups at the moment.

Mr. Bone: I am not a member of the Better Off Out group.

Mr. Davey: Perhaps there has been a resignation that we did not hear about.

Not only will the Conservative party have no influence in Washington and many other capitals in the world, but they will have some very odd bedfellows. We do not know the details, because the right hon. Member for Richmond, Yorks was rather frit today. That is unusual for him: he normally takes things on the chin and is not afraid of debate. However, he was not able to say with whom the Conservatives will form a group. He knows that they will have to find MEPs from six other member states. [Hon. Members: "Seven."] Presumably the Conservative party will be part of the group that it wants to form.

We ought to know who those MEPs will be, and which countries they will come from. We have been told that it is likely that the Conservatives will want to do a deal with the Law and Justice party in Poland. That is quite surprising, because Civic Platform, which is a centre-right party, believes in much of what the Conservatives—and, indeed, the Liberal Democrats—believe, it is in government, and it would seem to be a natural bedfellow for the Conservatives. Moreover, its Foreign Minister, Mr. Sikorski, was a member of the Bullingdon club. One would have thought that at least the right hon. Member for Witney could get on with a former member of the Bullingdon club, but apparently he is not extreme enough, so the Conservatives will have to do a deal with the Law and Justice party.

We should bear in mind that, as the Foreign Secretary said, the Law and Justice party is an anti-gay party. It is a homophobic party. When its leader was mayor of Warsaw, he banned a Gay Pride parade, but allowed a "parade of normality". Those are the sort of people with whom the Conservative party wants to do a deal—and I have not said anything about the anti-Semitic views of the Law and Justice party. The Foreign Secretary read out a quotation from one of its senior members which included an appalling insult to the current President of the United States. If the right hon. Member for Witney were to become Prime Minister, how would he explain that to the President? The Conservatives are in a ludicrous position, and they know it.

Mr. David Wilshire (Spelthorne) (Con): I apologise for not hearing the beginning of the hon. Gentleman's clearly uncontroversial speech. He has referred to separate groups. Would he care to explain how the following comes about? In the Council of Europe, the British Conservatives are in a group of their own. While it was the third largest—and bigger than the Alliance of Liberals and Democrats for Europe—it was very successful and made a great impact. Very recently, the hon. Gentleman's party overtook us by one or two members, but before that we had more members, notwithstanding what he has said about separate groups. He has spoken of bedfellows. Would he care to comment on why his party overtook us, and how it manages to justify the fact that a large number of Ukrainians—those great champions of democracy and human rights—have joined its group?

Mr. Davey: I cannot, because I do not know the details. However, I believe that the Conservative party is in bed with members of Mr. Putin's party in the Council of Europe, so I think that the hon. Gentleman ought to be slightly careful before giving such examples.

[Mr. Davey]

I will not list all the various parties to which the Conservatives appear to be talking, because the Foreign Secretary did that very well. He spoke of the For Fatherland and Freedom party of Latvia, which has Nazi sympathisers as members. This really is quite an interesting position for a so-called liberal Conservative party to adopt. We look forward very much to Conservative Members' coming clean. Apparently there was to be a press conference this afternoon at which they were going to present the deal, but it has been cancelled, so I do not think that they have managed to stitch up the deal yet.

Mr. Goodwill: As a former deputy co-ordinator for the Group of the European People's Party and European Democrats in the European Parliament, I can say that I spent most of my time negotiating with the smaller groups, which often held us to ransom in order to secure a majority, and that rather than being marginalised by being the fourth biggest group in the Parliament, in many instances we had more influence than a large group whose rapporteur represented our views while not actually agreeing with us. I think that the British Conservatives will be in a very strong position in the European Parliament. The hon. Gentleman should not speculate about who might be in the group; he should wait and see who will be in it.

Mr. Davey: I assure the hon. Gentleman that we are waiting, with great interest. However, he must bear in mind that if a group is to be formed, it must include MEPs from six other member states. We have been looking around to try to discover who they might be—as, no doubt, have others—and I must tell him that they will include some very odd people. I do not think that he would enjoy being the whip in that grouping.

Unfortunately, we were not able to address European issues in the European election campaign—partly because the expenses fiasco crowded out other debate—and one of the reasons why that disappointed me was that we wanted to discuss matters such as crime. We think there is a hugely strong case for co-operation at the European level on crime. We are witnessing the rise of international organised crime. We are experiencing drug trafficking, human trafficking and gun smuggling, the impact of technology with cybercrime and appalling things such as internet paedophile rings, and international terrorism, so it is clear that there are international sources of crime on a new and massive scale. By their very nature, we cannot, of course, deal with them by ourselves. We have to work with other countries to tackle them, and there is no better way of doing so than from within the European Union.

Mr. Cash: What worse possible route could we adopt than enlarging the European Union to bring in Croatia and Albania? Albania has human trafficking and is a centre of cocaine in Europe—it is the trade route for cocaine. Does the hon. Gentleman seriously think that bringing those countries into the EU will be of any value or use to us whatever? Is it not time he just woke up?

Mr. Davey: I am afraid it is time the hon. Gentleman woke up, because we are at present subjected to the appalling effects of that trade when we can do nothing about it as those countries are outside the EU. Trying to ensure that we can influence them by their coming into the EU is a much better way forward.

The EU is trying to push forward the crime agenda and tackle crime in many ways, such as through the European arrest warrant, which my colleague Graham Watson piloted through the European Parliament, and through Europol and Eurojust. We have had some fantastic benefits from this: extradition times have come down from 18 months to 43 days, and the costa del crime in Spain has effectively been got rid of thanks to the European arrest warrant. If colleagues doubt what I say, I can assure them that many people involved in tackling serious crime also think that this is the case. I could give many quotes, but let me give just one. Robert Lauder, regional director of the Serious Organised Crime Agency, said that

"historically, British criminals used Spain to escape justice. They found it simple to avoid the attention of UK law enforcement agencies. But the advent of the European Arrest Warrant and improved communications has made it increasingly difficult to evade UK courts."

Therefore, it is clear that if we are serious about tackling such serious crimes, we have to be in favour of European co-operation, but unfortunately the Conservatives have voted against these ideas: they voted against the European arrest warrant, Eurojust and Europol. That leaves them very exposed on this issue. There are 335 criminals who have been arrested and brought back to this country under the European arrest warrant. They include serious criminals such as murderers, rapists and paedophiles. Without the European arrest warrant, it is very likely that they would not have been brought to justice. I therefore say to the Conservative party in all seriousness that it will have to review its position. Were the Conservatives to come to power and were the Lisbon treaty to be in place and ratified, they would have choices to make, because all these measures to do with co-operation on law and order would then be subject to opt-ins. We would start afresh because this would become a new pillar. A future Conservative Government would therefore have to say whether they were going to opt back into co-operation in respect of the European arrest warrant and through Europol and Eurojust.

Let us imagine what would happen if a future Conservative Government said, "We're not going to co-operate." In that case, they would be refusing to co-operate with other European countries using these well-developed institutions and methods. That would be absurd. I look forward to having debates in the general election campaign—when it eventually comes—in order to expose the Conservatives' bizarre position, through which they are being incredibly soft on the most serious criminals in the world.

Mr. Bone: Human trafficking is a serious issue. I am a member of the all-party group on trafficking of women and children, and one issue that has come up is that young women are trafficked from other EU countries into this country quite legally and then forced into prostitution because there are not border controls for EU citizens. How would the hon. Gentleman address that problem?

Mr. Davey: Well, we can address it only by co-operating with other EU countries; I would have thought that that was self-evident.

The European Council is very important. We need to drive home on the economic agenda, and also on the climate change agenda. I hope we can find a way out of the problems that we have got ourselves into over institutional change. I hope we can use this chance to take forward a very positive agenda on Europe, which my party would support.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before I call the hon. Member for West Bromwich, West (Mr. Bailey), I want to give notice that the time limit will have to come down if we are to give every hon. Member the opportunity to speak. Therefore, after the next speech the limit will come down to 15 minutes—and I hope that the hon. Gentleman might also try to work within that framework.

6.36 pm

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Thank you for calling me, Mr. Deputy Speaker, and let me say that I think my remarks should fall well within the available time limit. I am a member of the European Scrutiny Committee, and I should perhaps begin my remarks by conveying the apologies and regrets of its Chairman, my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), who ordinarily would have wished to have participated in the debate. Unfortunately, however, he is away on other European scrutiny business.

I do not claim to be a representative of the Committee because, as other Members will appreciate, it can be difficult to secure consensus on a body that incorporates those with a fairly pro-EU stance such as myself—I say that with due deference to my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart)—and those such as the hon. Member for Stone (Mr. Cash), the right hon. Member for Wells (Mr. Heathcoat-Amory) and my hon. Friend the Member for Luton, North (Kelvin Hopkins), whom I will not categorise, but who would fairly describe themselves as not being historically pro-Europe. We might, however, agree that the Committee has been well engaged in debates on matters to be discussed at the Council, particularly those to do with European financial regulation and supervision. It has rigorously examined the ministerial position by questioning a Minister from the other place, Lord Myners. Although Committee members do not all share the same European or other political views, I think it is fair to say that the issues have been thoroughly debated.

I have my own views, of course, and not only on broad European issues. Wearing my other hat as chair of the all-party group on building societies and financial mutuals, I also come at these matters from the perspective of a long-standing supporter of the mutual sector of the financial services industry, so I am alert to the impact that any proposals from Europe may have on such bodies.

It is important to recognise the context of the debate that will take place. It has, of course, in a sense been ongoing since the onset of the credit crunch. I think it is fair to say that our Ministers and Prime Minister have led the moves in Europe to ensure that there has been a Europe-wide response to the problems created by the credit crunch, and my right hon. Friend the Foreign Secretary outlined some of them in his opening remarks. There may be issues of concern for the Government—and, indeed, for all Members present—in the proposals for financial regulation and supervision, but our Government's track record in pursuing the interests not only of this country, but of Europe in general, has so far been fairly effective.

The proposals have developed from the original ones—the European economic recovery plan in December—to "driving economic recovery" in the March Council and now an element for debate is

"restoring and maintaining a stable and reliable financial system".

That is, obviously, at the core of my remarks.

There are two pillars to this approach. The European systemic risk council—the so-called "euro early warning system" or "macro-prudential board"—which is to be under the president of the European Central Bank, is an essential pillar. I think there is a huge degree of consensus on the need for an international body to examine and highlight any potential deficiencies in the European and international financial services industry. It was precisely the absence of such a body that allowed the problems in the American sub-prime market to continue. They were recognised long before the financial institutions and the regulators realised that what appeared to be a local problem in the United States had huge international significance that would have such a profound impact on the British economy, and the entire European economy.

The other pillar is the European system of financial supervisors. It will be made up of national supervisors, but will be overseen by three new European supervisory authorities, which would, in effect, develop European regulatory policy on supervision within the individual countries. Those proposals are due to be debated and delivered over the forthcoming year.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Bailey: How could I resist the entreaties of a fellow member of the European Scrutiny Committee?

Mr. Cash: I am most grateful to the hon. Gentleman. I, too, have a great interest in the mutuals: my family founded the Abbey National in the 19th century. What he has described comes out of the de Larosière report, as I pointed out in my letter to the *Financial Times* of 27 February. Does he accept that the structure is a legal framework from which everything else flows, and that if we were to disagree with its characteristics, it is only by asserting the supremacy of the Westminster Parliament and insisting that we legislate on our own account and require the judiciary to obey that we could get out of that situation—if indeed that was the policy of my party, or indeed his own?

Mr. Deputy Speaker: Order. That was an excessively long intervention, given that we are time-limited. Perhaps the Procedure Committee might consider time limits on interventions. I call Mr. Bailey.

Mr. Bailey: The hon. Gentleman potentially opens up a lengthy debate. All I can say is that these issues are properly negotiated and debated within the Council. There is a difference of opinion within the European Scrutiny Committee on whether it is necessary to have a

[Mr. Bailey]

European structure as opposed to an international structure, and whether Britain's best interests might be served in engaging with an international structure. Hon. Members will have differing approaches to that.

Given that the EU consists of 27 countries, including several of the world's major economies, and is a major economic force in terms of the eurozone, just as the City is a major financial source, I cannot believe that it is not better to combine the strengths of that bloc to represent European interests on the international forums more effectively. We have been engaging with the G20 to ensure that a world economic recovery takes place, and nobody has argued that that should preclude work undertaken at the European level with broadly the same economic objectives. I do not share the position that the hon. Gentleman outlines, but I recognise that it exists. I believe that there are global international financial movements that have to be looked at on a global scale, regional financial movements—and corporations and bodies that operate regionally—for which it is appropriate to have regional supervision, and national corporations, for which it is appropriate to have a national level of supervision.

Specific areas of concern were highlighted during the Committee's investigations, the first of which related to whether the European systemic risk council should deal with the whole of Europe and whether the way in which it is being proposed, under the presidency of the European Central Bank, was likely to mean that it focused only on the eurozone. It is clearly necessary for this particular body to deal with the whole of Europe, including countries, such as Britain, that are outside the eurozone. Another issue was whether its chair could be the president of the ECB, because in its deliberations and considerations it may have to look critically at the ECB. A clear potential conflict of interest is involved, and that issue must be addressed. The risk council should include the national regulators, and that should include the Financial Services Authority. I hope that Ministers will take up those issues and prosecute them effectively at the Council.

There will obviously be a tension between the national supervisory framework and the potential European supervision. I believe, and I know this to be the feeling of British financial institutions, that any outcome must be sensitive to the specific needs of the structure of the British financial services industry. In the past, building societies have been concerned that Britain's supervisory financial regulators have not had sufficient understanding of, or sympathy for, the mutual movement. That situation could be much worse if the balance of regulatory power moved away from this country to Europe. That is a matter of considerable concern, and it is fair to say that we expect our Ministers to prosecute that particular argument very effectively.

There are issues to address in relation to credit rating agencies. I know that our ministerial team is rather at odds with the Commission's recommendations on those. There is a serious issue associated with the credibility of credit rating agencies. The power that they have in their classifications has enormous significance for the survival of financial institutions, yet historically—this includes their role in the credit crunch—they have not been beyond criticism. Who regulates or monitors them to see just how accurate and relevant their ratings are? There is far more credibility than one might think, but I hope that the Minister will ensure that whatever model comes out of these deliberations will provide effective national accountability for organisations in this country, with particular reference to the sort of model that credit rating agencies use to assess British financial institutions. There is a need for much greater transparency and more monitoring of the outcomes of the ratings that those agencies give. Our track record in Europe in getting effective European action on the recovery is good, but the issues that I have mentioned must be vigorously addressed in the debates that will be held.

The broad thrust of the Commission's proposals is good, and the EU could play a vital role in leading the world economic recovery by re-establishing faith in the international financial system, but we must ensure that the proposals that we adopt are sensitive to the needs of the British financial services industry. The City is a major world financial centre, and the potential consequences of getting it wrong are serious indeed. We need a regulatory and supervisory structure that recognises not only the strength of the financial services sector but the diversity of provision within it.

6.51 pm

Mr. David Heathcoat-Amory (Wells) (Con): These debates can on occasion become ritualistic, but today's has real significance because it takes place against a background of announced constitutional change. The European issue is, at root, a constitutional question. It is about where power resides, who exercises it and whether it is controlled and accountable. The Prime Minister has picked up the question of constitutional renewal as a possible way to save his Administration. The Labour Government have noticed that they are almost more unpopular than any other Government in history, but instead of changing the Prime Minister or the Government, they have hit on the idea of changing the constitution. We do not yet know what form that will take—whether it will be rigging the voting system or a genuine attempt to reconnect Parliament and the Government with the people.

Last week's statement by the Prime Minister contained little new, but I can at least agree with the aims of transparency, accountability and devolution. It is the devolution of power that interests me especially. The Prime Minister said that

"there is the devolution of power and the engagement of people themselves in their local communities."—[*Official Report*, 10 June 2009; Vol. 493, c. 798.]

I do not think that there is, but clearly there should be. The only problem is that we have heard all this before, two years ago, when the Prime Minister first took office. He said then that he wanted

"a new British constitutional settlement that entrusts more power to Parliament and the British people."

He went on to announce a lot of gimmicky ideas about citizens juries and what he called a new community right to call for action—we never heard anything more about that. He also said:

"The right of all the British people to have their voice heard is fundamental to our democracy". —[*Official Report*, 3 July 2007; Vol. 462, c. 815-18.]

Almost in the same breath, he denied the British people a vote on the Lisbon treaty, in an almost immediate contradiction between what he said and what he did.

Kelvin Hopkins: I agree with the right hon. Gentleman that this is all about power, but power is about more than elections and institutions. It is about who controls the economy, and economic power is fundamental in the modern world. Does he agree that retaining power over our economy is fundamental to retaining democratic power in Britain?

Mr. Heathcoat-Amory: I entirely agree with the hon. Gentleman who has an honourable history of standing up for economic self-government. I have always thought it bizarre that a left-wing party should contemplate handing over power to bankers who are not even in this country. The Government wanted a conclave of bankers meeting in private in Frankfurt to control the British economy. That is temporarily off the agenda, although it is—bizarrely—still official Labour party policy to join the euro, when economic conditions allow. I do not know when that might be, but we would be in real economic trouble if we had joined the euro. We would be being crucified by a high exchange rate that we could do nothing about. We need only look at the Republic of Ireland to realise what we are, luckily, missing.

The concept of devolution of power downwards is completely contradicted by the Government's European policy. Instead of devolving power away from political elites downwards to Parliament and people, the Government's European policy would transfer power upwards, away from this place and the people whom we represent, to the most remote and centralised bureaucracy of all—the European Union. This is a continuous dynamic process.

Like the hon. Member for West Bromwich, West (Mr. Bailey), to whom I listened with great care, I am a member of the European Scrutiny Committee. Every week, we deal with dozens of proposals to make that transfer of power. New draft directives, regulations and decisions about defence and foreign policy all come to our Committee and there is nothing that we can do to stop them. All we can do is to try to ensure that they conform to the legal powers in the treaty—the Commission is always trying to get round those powers and take more decision-making to itself. We can also recommend some proposals for debate, and some 5 per cent. are eventually debated in Committee. Again, those Committees can do nothing to stop or amend the proposals, and nor can Ministers, because they have been agreed by majority voting.

I would love to invite hon. Members to come to watch us trying to make sense of the blizzard of European proposals, but it is forbidden for them to attend our Committee. We meet behind closed doors, in private, which again contradicts what the Prime Minister said about openness and transparency. It is all talk: in practice, there is no transparency or openness. The Government are afraid of allowing anyone else to see how powerless we are.

Mr. Cash: Is my right hon. Friend aware that in a recent opinion poll 72 per cent. of the British public believed that Britain should break European rules if that is thought to be in the national interest? Does he not find that very interesting?

Mr. Heathcoat-Amory: I do indeed. Frustration is building up, which was demonstrated in the recent European election results. People are either indifferent or hostile. The more powers that the European Parliament gets, the fewer people vote for it. In each and every treaty change since the founding of what was then called the common market, the European Parliament has been given more powers, but in each and every direct election since 1979, the average turnout has fallen. When people vote, they vote for rejectionist parties or extremist parties. We have to listen to that and do something about it.

The hon. Member for West Bromwich, West described at some length the transfer of powers in the area of financial regulation and I have an example to discuss further. During the passage of the Bank of England Act 1998, the Opposition criticised the fact that the regulation of banks and financial institutions would fall between the triangle of the Treasury, the Bank of England and the Financial Services Authority. We were told at the time that we need not worry, because there was something called a memorandum of understanding that would sort everything out. Well, the credit crunch arrived and nobody could find the memorandum of understanding. Profound and urgent reform is needed to sort out exactly who makes the rules, who enforces them and where the lines of accountability lie.

However, the EU has another idea, which is to transfer the process to the EU. That will create more confusion, because a similar problem will arise. The Commission wants to control and regulate and so does the Council of Ministers—and we also have the European Central Bank. Instead of a triangle of confusion, we will have a hexagon of confusion. Instead of reforming and changing our system for the benefit of the City of London, we will transfer the whole process to a jurisdiction that we do not control.

The Government do not want that. The Committee of which I, my hon. Friend the Member for Stone (Mr. Cash) and the hon. Member for West Bromwich, West are members has taken evidence from Treasury Ministers and they resist the transfer of power upwards, although there is of course very little that they can do about it. Indeed, we had confirmation of that in a letter that we received last week from the Minister who was responsible for such matters in the Department of Business, Enterprise and Regulatory Reform. He admitted that he objected to the setting-up of the new regulatory committees as it would

"undermine the independence of the committees."

He said that there would be no check on whether or on how future committees could be set up without any national agreement and confirmed that the proposal had been adopted by the European Parliament, which does not say much for the influence that the governing party is supposed to have through the European Parliament. He also said that that

"the UK will vote against"

the proposal.

The only problem with that is that that is all decided by majority voting. We have a situation in which the Government and Parliament do not want something, but it is to be forced on us. The European Union is an organisation to which we pay a net sum of £6 billion a year, during a recession. We are being told what to do by an organisation that we fund. Am I alone in finding that rather bizarre? I do not think that I am, because that is the clear outcome of the European Parliament

[Mr. Heathcoat-Amory]

elections. People do not want this, they do not like it and something has to be done about it. It makes nonsense of talk about the devolution of power when we progressively transfer power from this House upwards.

That is not just the case in financial services regulation. It also applies in other policy areas, such as immigration and asylum policy. We are losing control. The details of residency rights, access to benefits and of whether and according to what conditions we can kick people out if they have a criminal record are not decided here. They are decided by the European Union by majority voting. Of course, that plays straight into the hands of the extremist parties.

A stitch-up between the main political parties in a Parliament—who pretend that they can change things when they cannot, because the decisions are rooted and entrenched in European directives that can be changed only when the Commission proposes it—hands an enormous argument to the British National party and other extremist organisations. That happened in the recent elections. The sad truth is that this Parliament is no longer self-governing in a range of policy matters and the public have discovered that.

Quite apart from the rise of the BNP, which I greatly regret, anyone who has an atom of democratic sensibility in them must realise that the recent elections send a message not simply to my party but to the Government. What are the Government doing about it? First, let me say what we are doing. My hon. Friend the Member for Rayleigh (Mr. Francois), who is now on the Front Bench, has a plan at least to tackle the question of powerlessness in the European Parliament. Instead of a fake division between the Socialist group and the European People's party, both of which agree on more powers for Europe and want to transfer powers away from national Parliaments to the European Union, for the first time we will have a right-of-centre grouping that gives people a choice between whether they want more or less Europe. That, of course, terrifies the European Parliament. The last thing that it wants is people to make realistic choices about the direction in which they want Europe to go.

Our second policy is to repatriate social and employment policy. There is no provision in the treaty for doing that, of course—it is a one-way valve—but we will get some powers back. I call that proper devolution. I call it giving substance to what the Prime Minister merely talks about. I wish my hon. Friend the Member for Rayleigh well and I have great confidence in his ability to do that. It will not be easy, but he has behind him in this endeavour, demonstrably, the majority of the British people.

A European Council is coming up at the end of the week. We do not know in detail what will be discussed, but I have a fairly good idea because I have a copy of the conclusions. Hon. Members might innocently think that Heads of Government arrive at the Council meetings, discuss matters, decide and then tell the world what they have done. It is not like that at all. It is all decided beforehand. I have with me a copy of the conclusions, obtained from a Danish Parliament website. The Government talk about openness and transparency, but I had to go to a website abroad to get the conclusions. They contain pages of stuff about economic and financial regulation that goes much further than what the Foreign Secretary was talking about earlier.

The conclusions contain absolutely nothing about the lessons to be learned from the European Parliament elections—the disconnection between the rulers of Europe and the ruled. The only thing that they address, I am afraid, is how further to bully the Irish electorate in the forthcoming second referendum, if and when it is held.

Mark Lazarowicz: I am grateful to the right hon. Gentleman for giving way, not least because I had to miss the beginning of his speech; I had hoped to be here for it. Do not the draft conclusions—their publication is quite normal practice in many international negotiations, but never mind that—reflect the fact that in the European parliamentary elections the Eurosceptic parties did not make progress in Europe as a whole? They made progress in some countries, but in many countries the parties that took the most anti-European, Europhobic or Eurosceptic line made no progress. Do not the draft conclusions reflect the general opinion throughout Europe? Is that not what should be happening?

Mr. Heathcoat-Amory: No, that is not my reading of the results at all. Rejectionist parties made a clear advance in other member states. In this country, overwhelmingly, the majority vote was for parties that want to leave the EU altogether or that want at least to reject the treaty of Lisbon. According to the conclusions, the Council has nothing to say about that at all. It is business as usual. Let me make a suggestion to the Under-Secretary, who apparently now speaks for Europe in this House—although I welcome him to his new position, I greatly regret the fact that we do not have the Minister for Europe in the democratic House. If he wants at one stroke dramatically to show that he has learned the lessons of this disillusionment, will he keep the promise that his party and the Liberal Democrats made before they were elected to have a referendum on the Lisbon treaty?

We have a constitutional crisis in this country. It is a crisis of self-government that is undermined by the progressive transfer of powers to another jurisdiction. The Prime Minister talks about devolution, but he means the opposite. He talks about accountability, but he means or does the opposite. He talks about openness, but we have a culture of secrecy and a refusal to listen to democratic outcomes.

7.9 pm

Mike Gapes (Ilford, South) (Lab/Co-op): One problem with these European debates is that we are like two peoples speaking completely different languages—it is a dialogue between the deaf. One view, which we have just heard, is that this is somehow all a plot by the bureaucrats in Brussels. That takes no account of the fact that the real threat to democracy in the world is the unelected bankers, financiers and chief executives of multinational companies. The people of democratic countries need to find ways to co-operate, regulate and take control so as to minimise the worst effects of what those corporate individuals do.

However, there is another model. We have just had the fifth anniversary of the 2004 EU enlargement, and the conclusions of the EU Council of 5 May said that the

"enlargement was not only a historic step in unifying a long-divided Europe but also a success from an economic point of view resulting in a win-win situation for the whole EU."

If the EU is such a terrible organisation, why have 10 countries that used to be in the Soviet bloc or the regulated communist system, from the Baltic states down to Slovenia, joined it in a period of just over 10 years? Despite the fantasies of the Conservative friend President Klaus of the Czech Republic—who believes that the EU is somehow recreating the Soviet bloc in Europe—people in Poland, Estonia, Latvia, Lithuania, Hungary, the Czech Republic, Slovakia and Slovenia have come out of communism and said overwhelmingly that they wish to be part of the voluntary club that now consists of 27 nation states. They want to work co-operatively together: why is that?

There are 500 million people in the EU, and 6 billion in the world as a whole. There are more than 1 billion people in India, and in China as well. Japan has a massive economy, as has the US, so it is clear that we in Europe need to work together in world trade talks and, with the Copenhagen meeting coming up later this year, in the international negotiations on climate change. If we do not, the agendas will be set, and the conclusions written, by others. As Europeans, we have to get into the real world of the 21st century and stop pretending that we are still in the 19th century.

Sammy Wilson: I thank the hon. Gentleman for giving way, and I apologise for interrupting the flow of his rhetoric, but perhaps we should get down to the reality. We need to look at the examples of the smaller countries that have applied to join Europe, which is something that the eastern European countries are now copying. Does the hon. Gentleman accept that they were attracted by economic bribes, with money being transferred from the larger countries to the smaller ones? Once those bribes dry up, the reality hits and those smaller nations realise that they are in a system that takes away their national freedoms, interferes in their affairs and imposes burdens on them.

Mike Gapes: I am grateful to the hon. Gentleman for that intervention, as it allows me to develop an argument that I was going to come to anyway. However, I did not mention another interesting phenomenon: one of the countries that is seriously considering joining the EU, despite its historic problems with fisheries, is Iceland. The newly elected Government there have recognised that, in this global world, they need the protection of a big organisation.

Iceland is one of the most extreme examples of what the crisis of unfettered and deregulated liberalisation has caused. One consequence is that the Icelandic Government recognise that they need the support of other countries, but there is a problem, and the hon. Member for East Antrim (Sammy Wilson) alluded to it. It is that the EU needs to get away from its obsession with the institutional agenda and think of ways that it can assist the many countries on its periphery to become members.

There is, of course, quite a lot to be discussed in that regard. One of the items on the agenda of the forthcoming Council will be a debate about the so-called eastern partnership. Unfortunately, there are signs that some of the bigger countries in the EU are growing cold on the future enlargement agenda. I think that that is very disappointing.

There is a growing queue of countries wishing to join the EU. I have mentioned Iceland already, but the others include Montenegro, Albania, Croatia, and Bosnia and Herzegovina. Earlier, the shadow Foreign Secretary referred to the difficulties that Bosnia and Herzegovina is experiencing with Republic Srpska and growing nationalism. The real danger is that, 14 years after the Dayton process, we could, through lack of attention, find ourselves with a new crisis in the heart of the Balkans. Then, of course, there is Serbia, and Turkey has had an outstanding application to join for many years.

I want to say something about the importance of the EU's future enlargement. It would be a terrible tragedy if, at this time of economic uncertainty and crisis, we started to put up barriers to the future enlargement of the EU. If we create an arc of instability in the Balkans and say, in effect, that the existing EU is full and cannot have any more member states, that would send out very bad signals for the future stability of the Balkan states. In addition, it would also send out signals to those other eastern partnership countries which, although they may not be candidates for EU membership, are nevertheless important neighbours of the EU.

I refer the House to the crisis that is developing in Moldova, and to the authoritarian and anti-democratic tendencies of President Saakashvili's Georgia. If the EU does not provide economic and political support to neighbouring areas countries—I am not talking about membership—we will find that Russia will once again try to have a hegemonic role in the region.

Russia is not a pluralistic democracy in the western European model. It sees itself very much as a country with a near-abroad, and that is an area that it will want to dominate. That is not the kind of Europe that we want, the kind that will lead to the prosperity and peace that have been developed by the EU over previous decades.

The Swedish Government are about to take over the presidency of the EU. Sweden, along with Poland, has developed the concept of the eastern partnership, and it will no doubt be trying to take that concept forward over the coming six months. I believe that we need to take seriously the Swedish and Polish initiatives on these matters, as there is a clear need for EU countries to extend their focus beyond their internal problems. We must recognise that neighbouring areas—the applicant countries in the Balkans or the partnership countries to the east—provide very important lessons. We must not allow our internal obsessions to cause us to fail to provide co-operation, assistance and help for our European neighbours.

Jo Swinson (East Dunbartonshire) (LD): I am listening to what the hon. Gentleman is saying with great interest, especially with regard to the western Balkans. I visited Kosovo last year, and I was struck by the impasse that exists between Kosovans and Serbians. It is hard to imagine how they will ever manage to live side by side, but the one thing that I heard from both was that existing together in the EU might offer some route to peace in the future. Does the hon. Gentleman agree that the EU has been successful in that way over the past 50 or 60 years, and that creating peace and security could be extended to the western Balkans in a very important way?

Mike Gapes: I agree absolutely with everything that the hon. Lady said. The Serbian Government have a clear foreign policy priority of integration into the

[Mike Gapes]

European Union, but progress has been slow, and not just because of the difficulties with regard to Kosovo. The European Union Foreign Ministers have not activated the trade-related parts of Serbia's stabilisation and association agreement; following the arrest by Serbian authorities in July last year of Radovan Karadzic, the former Bosnian Serb leader. Serbian politicians of all kinds ask, "Why not?" They feel disappointed. The reason progress has been slow is that the Dutch Government, in particular, have continued to oppose the unfreezing of the SAA for as long as Ratko Mladic, the former military commander of the Bosnian Serbs, remains at large. He is one of the two remaining indictees of the International Criminal Tribunal for the Former Yugoslavia in The Hague.

There have been reports in the press recently that the issue of Mr. Mladic is resurfacing in debates and discussions, and it may be that steps will be taken to deal with that issue in the near future. Similar action was taken in Croatia a few years ago, and that accelerated the opening of the talks with the Croatian Government, but sadly there are now problems with Croatia's application for membership because of a territorial dispute to do with a bay between Slovenia and Croatia. That is causing difficulties, and is unresolved. The Czech presidency has failed in its efforts to make any progress on that issue; it will have to hand that on to Sweden, too.

In other parts of the Balkans, the situation is more positive. Montenegro submitted an application in December. On 23 April, the Council of Ministers invited the European Commission to submit a formal opinion on that, as a first step towards possible enlargement. Similarly, Albania applied in April. Let us hope that the first assessment of that application will take place in the near future, in the autumn. So there is progress in some areas, and it is important that progress continues. In a sense, if we are to resolve the problems that came out of the civil war in the former Yugoslavia, the best solution is, as the hon. Member for East Dunbartonshire (Jo Swinson) says, to recreate a mechanism within the European Union through which there is trade and free movement of peoples, so that borders, and historical animosities, are overcome within the context of an enlarged European Union.

The European Union is the way forward for many in Europe, but it is sad that debate in this country is dominated by an obsessive Eurosceptic media. It is absolutely the case that in the European elections, the Labour party had dreadful results, but the votes for the other main parties were also down significantly. There were different results in different European Union countries in the elections. The right hon. Member for Wells (Mr. Heathcoat-Amory) gave the impression that the Eurosceptics had won everywhere in the European Parliament elections; that is not true. In some countries, the pro-European parties of the centre right had very good results. In France, an ecological, green party led by Dany Cohn-Bendit did extremely well. One cannot say that there is a generalised trend. In some countries, the percentage poll went up. In other countries, it fell drastically. The problem, I suspect, is that because there is not a general European media, in every country, the elections were reported and campaigned on in national terms.

Mr. Heathcoat-Amory *rose—*

Mike Gapes: I will give way, but I am conscious of time. I want to make one more point, and I do not get any more injury time for taking interventions.

Mr. Heathcoat-Amory: Just a quick question: how does the hon. Gentleman square the wave of Euro-enthusiasm that he describes with the fact that the turnout was the lowest ever for European elections?

Mike Gapes: I did not say that there was a wave of Euro-enthusiasm. I said that the situation was complex, and much more sophisticated than was suggested in the impression that the right hon. Gentleman gave. Overall turnout in the European elections was 43 per cent., which is down 2 per cent. on the 2004 elections. That is disappointing, but in some countries, the percentage turnout was over 60 or 70 per cent., whereas in others it was around 20 per cent.

Mr. Ellwood: Will the hon. Gentleman give way?

Mike Gapes: No. I cannot give way any more. The reality of the situation in the European Union elections was complicated, and different in different countries. It is, after all, a 27-country organisation. It is sad that people are trying to write a narrative based on selective quotation of data from different parts of the world.

I will conclude with a point on the UK results. I am pleased to say that in London, we resoundingly rejected the Nazi British National party. It did not get anybody elected. In my constituency and other constituencies in east London, there was a significant reduction in the share of the vote for the far-right party. In Barking and Dagenham, where the BNP has 12 or 13 councillors, its share of the vote was significantly down. That indicates that where people were prepared to go out and put the arguments, that made an impact. That does not in any way minimise the fact that, to our shame, we in this country have elected, in areas where the turnout went down significantly—Lancashire and Yorkshire—people who stand for small, unrepresentative groups. In a proportional representation list system, when there is a low turnout, such groups are always liable to get people elected. That is why, if we are to have constitutional change—this comes back to the point made by the right hon. Member for Wells about such change—and if we bring in different electoral systems, we have to keep the link between the Member of Parliament and the constituency. We must have a system that does not provide for a top-up list for extremist parties that cherry-pick issues and are not capable of being elected in any single constituency.

7.27 pm

Mr. David Wilshire (Spelthorne) (Con): I always find these debates fascinating. I see that the Annunciator says "European Affairs", but these debates are usually about the European Union. I still have an atlas that has Norway, Switzerland and Russia in Europe, so this is not wholly a debate about the European Union, and I want to speak on a different subject. I have the pleasure and the privilege of leading the Conservative delegation to the Parliamentary Assembly of the Council of Europe. There is a team of 11 of us, and as I said earlier, our group is separate from the European People's party. I rather think that we do a good job in that guise.

I want to speak because I believe that the Council of Europe matters. It is the oldest of the pan-European institutions, and it still has a real role with regard to democracy, human rights and the rule of law. It has done important work, and it still has more important work to do. In and among the work that it has done, there are some major and important successes for the continent of Europe. The most notable of all, and one that most people know a little bit about, is the European Court of Human Rights, although I keep being told that it belongs to the European Union. Nevertheless, there is something that the public recognise of the work that we do. Sadly, people do not know much else about it. People do not understand very much about why the Council of Europe is important.

Even more sadly, as I view it, all is not well with the Council of Europe. That is what prompted me to speak, and what I want to speak about. I urge this Government, and the next Government, to take the matter seriously, and to do their level best to make sure that things are put right. I fear that the Council of Europe has lost its way. It seems to wander ever further across subjects that are not its core business, and ever further across the globe. Of course, any organisation that believes in democracy wants to spread it, but we are talking about a Council of Europe, not a mini-United Nations. There is work to be done there.

Even more importantly, the Council of Europe, the oldest pan-European institution, the originator of the flag which has been hijacked by the European Union, is being upstaged—

Mr. Robert Walter (North Dorset) (Con): And the anthem.

Mr. Wilshire: My hon. Friend mentions the anthem as well.

The Council of Europe is being upstaged by the European Union and the European Parliament. Vast sums of money are being spent on duplication of the human rights work done by the Council of Europe. We have this great institution of human rights, which the European Union is claiming for itself, and huge sums are being put into duplicating the work of spreading democracy. Since that is the core work of the Council of Europe, all donations—I shall come to finances in a moment—would be gratefully received. If the European Parliament and the European Union have money to spare, they might like to give it to the Council of Europe to do the work that it was set up to do and continues to do so well.

My next concern is the funding issue, which the British Government and all other Governments seem to have got stuck into. The budget has been cut year on year, while the cost of the European Court of Human Rights has gone up and up. As a result of underfunding, money has had to be diverted away from the other core work of the Council of Europe to fund the European Court of Human Rights. It is crucial that the administration of the Court and its logjam of casework is sorted out.

The third aspect of the Council of Europe that concerns me is the current internal wrangle as the Council plays politics with itself. If my hon. Friend the Member for North Dorset (Mr. Walter) catches your eye, Mr. Deputy Speaker, I know he will elaborate on that, so I shall not bore the House with the details. The dispute is about how to appoint the next secretary-general, which has to be done this year. All I will say—I hope the Government will be able to respond to this—is that the work of trying to appoint a new secretary-general has been badly handled by both sides.

I have some sympathy with what the Committee of Ministers is seeking to do. Among those pushing that agenda have been the British Government. I understand only too well what is being attempted, but if I may say so as gently as possible, the way in which the Committee of Ministers of the Council of Europe has set about it is not very clever. That is where the row started. On the other hand, the Parliamentary Assembly has allowed itself to be confused between principles and personalities.

I have to go to an emergency meeting in Brussels on Thursday to talk to Ministers and see whether we can sort out the problem. I fear that we will not be able to do so, and that at the part-session in June there will be deadlock. I plead with the Government. After that has happened, as I fear it will—I do not see how we can stop it—some cool heads need to settle down and find a way out.

As I said a moment ago, I still believe that the Council of Europe matters. It matters to the new democracies that came out of the Soviet Union and elsewhere and are trying to set up a pluralist democracy, which we want to help them to do. The Council of Europe plays a big role in that.

I have mentioned the European Court of Human Rights. It is almost self-evident that the Council of Europe has an ongoing job in protecting human rights throughout Europe, and it does a great deal of work, often unseen and certainly unsung, trying to help countries that have come out of a different type of regime where the rule of law does not mean very much. We try our level best to help people get rid of the corrupt legal system that they have and to establish a legal system that we would be proud of. That is important work and it still matters.

The Council of Europe is still the only efficient, effective pan-European forum. Jest has been made of Iceland's bankruptcy. I have mentioned Norway and Switzerland. They are there already. They are part of that forum. Mention has been made of countries in the Balkans wanting to join the European Union. They are there already, and those are the sort of countries that we help. Mention has been made of Turkey. It is a major player in the Council of Europe. To the best of my knowledge, mention has not been made of the Caucasus and beyond, but those countries are there. Above all else to me—the Liberal spokesman mentioned that I have some connections with United Russia—the Russians are there. I could, if time allowed me, say a great deal about our relationship. In saying "our relationship", I am talking about British parliamentarians, not just the Conservative relationship with the Russians.

There is a choice to be made when we deal with people whose democracy is far from perfect, whose rule of law leaves a lot to be desired and whose human rights record is bad. We can cast them into the outer darkness and say, "You're awful. We don't want anything to do with you," or we can say "If people are asking for help, yes, we will help." There is one school of thought in Russia that wants to go it alone to build a Russian sphere of influence in the world, and there are those who say, "The best way to improve Russian democracy

[Mr. Wilshire]

and the rule of law in our country is to integrate into the continent of Europe." I make no apologies for trying to help those Russians who want to do that, because that is the best way I can think of to share the values that we take for granted.

The Council of Europe has a further important role in conflict prevention. I know that we had a spectacular failure in conflict prevention because the Russians and the Georgians went to war together. Nevertheless, there are lessons to be learned from that, and there are lessons that we can apply to places such as Nagorno-Karabakh, because Armenia and Azerbaijan are both members of the Council of Europe, and incidentally, both are members of the group that I lead. We can do something, I hope, about Transnistria, because the Moldovans, Ukrainians, Russians and Romanians are all members of the Council of Europe.

The most important thing about the Council of Europe at present is the human rights commissioner. I was in New York not long ago, where I was talking about the Russian-Georgian conflict. The message that I got from the United Nations was that of all the things that have happened to try to sort out that dreadful mess, one stood out above all else: the human rights commissioner of the Council of Europe was somebody on the world stage who the United Nations thought was doing a magnificent job, and with whom it wanted to work more closely.

So we do matter. We do have a job to do, and we must take care of that. If we have problems and this Government and the next Government want to help, may I suggest a few things that they might like to consider? They might like to consider helping us build a higher profile for the Council of Europe, which is what the row about the secretary-general comes down to. If we have a higher profile, we will be taken more seriously and we will do more good. They could help us have a clearer focus, sort out what is core business and sort out the real geography of what we should be doing.

The Government could help us try to organise a new settlement between the Committee of Ministers and the Parliamentary Assembly, which is what has, in many ways, given rise to the ongoing political infighting that I mentioned. They could help us stand against the ever-increasing encroachment of the European Union. They could help us get them to take their tanks off our lawn and let us do what we are good at, and we will withdraw from the things that we are trying to do which we could safely leave to the European Union to get on with. They could help us by providing sensible funding. This is not a pitch for vastly more money. If only the problems with the European Court of Human Rights could be sorted out, the budget would look so much better for the rest of us.

We have problems. We have done a great deal. All I would say to the Government, and to my hon. Friend the Member for Rayleigh (Mr. Francois) when he becomes the Minister in due course, is please, please do not let the Council of Europe wither on the vine.

7.39 pm

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): It is a matter of great regret to me that the Government's policy can best be characterised as "no compromise with the electorate." Irrespective of whether we agree with the results of the recent European elections, we are beholden to pay some attention to them. It might very well be okay for the Foreign and Commonwealth Office to take the view that the people have let down the Government, but it is not appropriate for an elected Government to take that view. As the Foreign Secretary was outlining the Government's policy on the forthcoming European Council, it struck me that not a single word, jot or comma had been changed as a result of the European elections. Not the slightest attention had been paid to those results, and that is a cause for considerable concern.

The party that secured the most votes would generally be seen by the public to be Eurosceptic, and the party that got the second highest number of votes would generally be seen to be "withdrawalist". The Government were characterised in Europe by two things: first, that they were enthusiastically in favour of ever-greater union; and, secondly, that, having promised a referendum and then refused to provide one, they were damned by it. The party that is most enthusiastically in favour of the European project, the Liberals, came quite a bad fourth. That balance of voting was not just simply an act of God, random or due to the expenses scandal; it represented a clear pattern of political opinion in the United Kingdom.

Mark Lazarowicz: My hon. Friend draws attention to the political pattern in the United Kingdom. What conclusion would he care to draw, therefore, from the results in Scotland, where the party that came first was, of course, the Scottish National party, which I would not describe as Eurosceptic? The Labour party came second, the Liberal Democrats vied with the Tories down below and the Green party, which is generally pro-European, did better than the UK Independence party. So what conclusions would any analysis of the Scottish results draw?

Mr. Davidson: I would certainly draw on one point, because I remember that the Scottish National party was in fact in favour of a referendum on the European constitution. The SNP also had the great advantage of not being us in those elections, and that was undoubtedly helpful to it. In my constituency, it was noticeable that, such was the support for European integration, the Liberals were beaten not only by ourselves, and the nationalists, and the Conservatives, and UKIP, and the Greens, and the British National party—*[Laughter.]* The Liberals did, however, fly the flag for their position—the kamikaze approach to politics—and it had the merit of honesty if not of sense.

From the election results, it is perfectly clear that being associated with ever-closer union is toxic, and I should have thought that the Government would want to take that into account. We might deplore the results of democratic elections, but we must recognise them and take account of what people are actually saying to us.

For me, the only bright moment in the whole European election debacle was when I heard that the Minister for Europe had resigned. I thought that she had taken responsibility for the result but no, it was unfortunately not to be. She certainly wanted to remove herself from the ministry of Europe but, regrettably, she was not going to be moved in the direction that she wished. When I heard that the Foreign Secretary had been

thinking of resigning. I thought that he had wished to take responsibility for the European election results, but apparently not. He quite rightly thought that other people should share the blame.

The important thing about not paying attention to the election results, however, is that it undermines completely the Government's initiative on democratic renewal. All the stuff that we are told about how Parliament is going to refresh itself to gain public support is completely undermined and treated with absolute and utter abject cynicism if the public so clearly express a view on a major subject, as they have, and we then pay absolutely and utterly no attention to it.

The Government's commitment to democratic renewal will not be taken seriously unless we revisit the question of a referendum, which we promised, on the European constitution. When is a constitution not a constitution? When it is a scam. Everyone believes that the constitution is no longer called the constitution simply to get around the democratic roadblock that was placed in its path by the decisions initially of the French electorate and then of the Dutch electorate. When politics is dealt with so cynically, it undermines any support for the Government's European policy and their credibility on democratic renewal issues.

When the constitution, and then the Lisbon treaty, progressed through Parliament, we were told that change was not possible, that no amendment was possible and that no qualifications were possible. Now, however, we find that, for the Irish, changes, qualifications and amendments are all possible in order to persuade them to vote "for". The assumption is, quite clearly, that the Irish were too stupid the first time around to do what they were told and therefore, have to do it again.

Will the Government clarify how they intend to pursue the question of Irish renegotiation? Will the Irish be given legally binding commitments? If they are legally binding, the issue will have to come back to the House, because such commitments would either change the whole nature of the previous treaty or require a new treaty to which we will be obliged to give assent. If, on the other hand, the commitments are not binding, they will be absolutely and utterly worthless and would, I predict, be eroded over time by the ever-growing centralisation of the European Union. I want the Government to clarify their position on the matter. Are they prepared to offer the Irish legally binding commitments, or are they simply trying to help the Irish Government fudge the position with their own people, so that they can persuade them to undo what they previously did?

On Britain's financial position, I heard with great interest that, apart from in a couple of areas of the Budget, the main Opposition party would make a 10 per cent. reduction in all headings. However, I seek clarification about whether it, in government, or the current Government, will seek to renegotiate our financial contribution towards the European Union. The Public Accounts Committee has agreed a report spelling out yet again how the EU's accounts have failed to be properly audited and passed, and such extravagance is not justifiable or supportable in the present economic circumstances. I therefore hope that the British Government will, as a matter of urgency, seek to reduce considerably our contribution to the EU. I support some solidarity payments but, in a time of austerity, can see no justification for such extravagant expenditure as that which the EU undertakes in many areas of its economy.

Kelvin Hopkins: To reinforce my hon. Friend's points, I should say that recent estimates of the total misappropriation of common agricultural policy money vary at between 30 and 50 per cent. of the entire fund.

Mr. Davidson: I am always glad to have my points reinforced. It is perfectly clear that the level of extravagance in the European Union at present is not justifiable.

Finally, I want to pursue the question of the Opposition's position on the referendum. I was not satisfied by the response given to me by the right hon. Member for Richmond, Yorks (Mr. Hague), who spoke on behalf of the Conservative party. I genuinely do not understand what the Conservative party intends to do. I do not accept that it will inevitably form the next Government, but if it does, and if the treaty has been ratified, will it hold a referendum or will it not?

The issue is of particular importance because there are substantial numbers of UKIP voters in my constituency, as there are in many other constituencies. I have discussed the matter with them; many said that they voted UKIP in the European elections but that they will vote for the Conservatives in the general election because they think that they will give them a referendum. I do not believe that that is necessarily true.

Mark Lazarowicz: Is not my hon. Friend being untypically charitable to the Conservative party? Given the number of times that the shadow Foreign Secretary was asked the question and dodged it, is it not patently clear that there is no such intention and that there is no possibility whatever of a future Conservative Government, if there were to be one, holding a referendum if the treaty had been ratified?

Mr. Davidson: As my hon. Friend knows, I am much more charitable than he is on almost all issues, so I am inclined to give the Conservatives the benefit of the doubt until there is confirmation to the contrary. The issue is still unclear. What do I tell UKIP voters in my constituency?

Mark Lazarowicz: There are only two of them.

Mr. Davidson: There are more than two of them; in fact, there are more UKIP voters than Liberal Democrat voters. Did I mention earlier that the Labour party, the nationalists, the Conservatives, the Greens, UKIP and the BNP came ahead of the Liberals in my constituency? That shows how much Eurofanaticism there is there.

Let us be clear. What exactly is the Conservative policy? Perhaps I am not as charitable as my hon. Friend thought, because my view is that the Conservatives cannot be trusted on the question of a referendum. In my view, anybody who believes that the Conservatives will hold a referendum on the European constitution/Lisbon treaty if they win the general election is deluding himself.

I look to the hon. Member for Rayleigh (Mr. Francois), who is summing up for the Conservatives, to make his party's position clear. This far out, people are entitled to know. If the Conservatives said that they would do one thing if the treaty was ratified and another if it was not, that would be fair enough. Let them be open and honest and spell out exactly what they intend to do. Otherwise, it will be a case of, "You can't trust the Tories on Europe."

7.53 pm

Mr. Robert Walter (North Dorset) (Con): I do not propose to say much about the European Union, although I want to talk about European affairs. However, I cannot help reflecting on the statistics just cited by the hon. Member for Glasgow, South-West (Mr. Davidson), and by the hon. Member for Ilford, South (Mike Gapes) earlier, about some of the votes in the European parliamentary elections. The hon. Member for Ilford, South told us that the Greens did well in France; in my constituency they got two and a half times the vote of the Labour party.

The Labour party, unfortunately—or fortunately—has been completely routed in the south-west, and has no Member of the European Parliament there. I hope that that bodes well for the forthcoming general election. There are now no Labour county councillors in my county of Dorset, despite the fact that Labour still holds a parliamentary seat in South Dorset.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Chris Bryant): And so we shall in future.

Mr. Walter: I am interested to hear the hon. Gentleman's view on that.

Today I want to deal with a question of democracy in Europe: the denial by Governments of well-established principles of democracy in the Council of Europe. Her Majesty's Government are not only complicit in that denial, but are a leading advocate of it. I should give a little background. Mr. Terry Davis, a former Member of this House, has been the secretary-general of the Council of Europe for some time. Before that he was a member of the Parliamentary Assembly of the Council of Europe; in fact, he was the leader of the socialist group there.

We are in the process of seeking a replacement for Mr. Davis. The person replacing him will be elected by Parliamentary Assembly members, who are Members of Parliament from the 47 member states of the Council of Europe. In the same way, judges at the European Court of Human Rights are democratically elected by parliamentarians from across Europe.

Some would say that as the secretary-general for the past five years has been a socialist, it is now time for someone from the centre right to have a go at the job. However, I do not want to portray the issue in a party political manner, because the election, which is due next Tuesday in Strasbourg, will involve a vote on the nomination by the Committee of Ministers' Deputies, who are the ambassadors. The committee has given the Assembly a list of two to choose from, and I shall come back to those two in a moment.

What is at stake next week is the very position and credibility of the Parliamentary Assembly, and that debate has nothing to do with individual candidates for the post. In a strictly legal sense, the regulations for the election were drawn up in 1956. As long as they are not formally changed by agreement between the Committee of Ministers' Deputies and the Parliamentary Assembly, only those regulations are valid. Until today, the Committee of Ministers' Deputies had not proposed to review the criteria applicable to candidates for the post of secretary-general. The long-standing practice, in force for more than 50 years, has involved co-operation, consensus and consultation between those two important pillars of the Council of Europe.

However, on this occasion the Committee of Ministers' Deputies did not respect the existing procedure and rules as it had in all previous elections for the post of secretary-general. In all the previous elections, all the candidates nominated to the Committee of Ministers' Deputies were forwarded to the Assembly for it to deliberate and vote on. Our diplomats—for they are the people who normally sit on the Committee of Ministers' Deputies—have created a problem by coming up with a draft opinion on a shortlist of two candidates, instead of the four who were nominated. They did so because they believed that they were solving a problem, created by their Governments and by the Assembly, which endorsed the so-called Juncker report in 2005.

I stress that the Juncker report, drawn up by the long-serving Prime Minister of Luxembourg, Jean-Claude Juncker, with its 15 proposals, is an excellent document—but it is not the law. Among much else, the report contained the wish that the next secretary-general should be a high-ranking figure in European political life. The diplomats therefore advised their Ministers to present a list of two candidates to the Assembly next week, because, in the opinion of the ambassadors, those candidates meet the so-called Juncker criteria. The ambassadors would have preferred more candidates under those criteria, but unfortunately Mr. Blair became special envoy to the middle east, Mr. Rasmussen went to NATO, Mr. Putin became Prime Minister of Russia, and Mrs. Merkel, Mr. Sarkozy and Mr. Berlusconi were unavailable. Our own Prime Minister might become available, but probably not before September.

The ambassadors' list therefore became a very short shortlist. They then created a huge problem by not accepting the candidacy of two other applicants, both of whom happen to be members of the Parliamentary Assembly, as well as the leaders of two of the larger political groups in the Assembly: the European People's party—the Christian democrats—and the Liberal group. Incidentally, they both meet the Juncker criteria, as they have been Ministers and are certainly notable figures. The ambassadors also forgot that the rules are clear that the Parliamentary Assembly has to be consulted before a decision is made on a list of candidates. In April, my hon. Friend the Member for Ryedale (Mr. Greenway) produced a report for the Parliamentary Assembly that provides complete clarity on the issue; I congratulate him on that. However, the Ministers cannot pick and choose from the Juncker proposals; they must respect the rules and procedures.

At their meeting in October 2008 the Ministers' deputies—that is, the ambassadors—decided that candidates should comply with the criteria set out by the Ministers in 2007. The key point of the criteria is that candidates should have previously served as a Head of State or Government, or have held senior ministerial office or similar status relevant to the post. On that basis, candidates applied and were invited for interviews, and the four candidates apparently fulfilled the criteria. After the closing date for the receipt of nominations, and following a series of votes, the Ministers' deputies changed the procedure and the criteria to a more restrictive interpretation. For ambassadors involved in what is essentially a democratic procedure, that is unprecedented.

The Foreign Ministers of member states apparently made a decision, and their deputies decided that they would accept as candidates only former Heads of State or Government. The Ministers' deputies decided to establish different criteria after the closing date for the receipt of nominations.

It must also be emphasised, with great regret, that the Ministers' deputies never considered it appropriate to consult the Assembly before making their decisions. In the past, all regulations relating to the appointment of the secretary-general were adopted by the Committee of Ministers, with the agreement of the Assembly, yet the Committee of Ministers now took a decision prior to any consultation with the Assembly. The Ministers' deputies—the fonctionnaires, or civil servants—moved the goalposts while the game was under way. If they want to apply other criteria and another procedure, that must be done in co-operation with the Assembly, and prior to the opening of the election procedure. They failed to do that.

In effect, this is an institutional coup d'état and an unacceptable limitation of the prerogatives and competences of the Assembly and its parliamentary representatives, all of whom have been democratically elected. This is a test case and a precedent for the Assembly—the parliamentary guardians of democracy and human rights in Europe—regarding one of its most important prerogatives: the election of the highest officials of the Council of Europe. Members of Parliament from across Europe are now unified on this principle, yet the weight of all future elections, including the election of judges, could, if we are not vigilant, shift to the officials, to the Committee of Ministers and to the Executive.

This debate is about the principle of parliamentary democracy. It is about the balance of power between Executives and Parliaments. In many countries across Europe, that battle goes back over several hundred years; in some younger democracies, it is as recent as 20 years ago. It is about the balance of power between the Executive and Parliament: in this case, between the Committee of Ministers and the Parliamentary Assembly. We must remind the Foreign Secretary and his representative on the Committee of Ministers that they represent national Governments: they are ambassadors, functionaries, advisers. They advise the very same Governments whom we collectively, as parliamentarians across Europe, authorise and oversee in our daily work.

The democratic legitimacy of the Council of Europe Assembly is beyond question, but I question the procedure in this process. First, it is normal practice for the Committee of Ministers to look at all candidates and forward the list to the Parliamentary Assembly. In this situation, therefore, had the Committee of Ministers followed custom and practice, the names of all four candidates would have been submitted to the Parliamentary Assembly.

Secondly, the Committee of Ministers normally acts by consensus. I can count on the fingers of one hand the number of occasions on which it has taken a vote in the last five years—so why on this occasion, unless it was looking for confrontation, did it decide to use the voting procedure? Why not use the normal consensual procedure to arrive at an opinion which could have been forwarded to the Assembly, and which we would have respected?

Thirdly, I believe that this is a cynical attempt by the Committee of Ministers to prejudge the decision of Members of Parliament. It has submitted two candidates. One is clearly its favourite; the other, although he meets the Juncker criteria, is probably unacceptable to the Assembly. It has therefore decided already and ensured that we in the Assembly have no decision to take on the election. I believe that the rejection of two candidates from the Parliamentary Assembly is a blatant attempt by the Committee of Ministers to shift the balance of power from elected parliamentarians to appointed ambassadors. Custom and practice say that they should have sent us all four candidates. We may well eventually choose their preferred candidate—he is the Speaker of the Norwegian Parliament and a former Prime Minister—but that is up to us to decide. We in the Assembly are the guardians of democracy in Europe.

The Government should take note of this: in April the Assembly voted by 158 votes to one to reject the procedure adopted by the Committee of Ministers. If that had been a vote in this House—and therefore a resounding rejection of a Government position—Ministers would have had to think again, but the functionaries and the Committee of Ministers' Deputies battle on with their established position. I hope that the Minister will tell the House that he will now endorse the proposal that the Committee of Ministers, when it meets the Parliamentary Assembly on Thursday, should present the Assembly with a list of all four candidates on which the Committee can indicate its preference, as foreseen in the rules. Anything else will be a negation of the very principles of democracy on which the Council of Europe is built.

8.7 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): One of the issues that will be high up the agenda for the meeting at the end of this week will be climate change. All the parties represented in the Chamber recognise the importance of tackling climate change. The evidence is mounting that even previous projections for the rate at which global warming was taking place have been on the low side. Much depends on the possibility of the world's agreeing a comprehensive climate change treaty at Copenhagen later this year. It is fair to say that if that agreement is not reached, we are almost certainly beyond many of the famous tipping points after which damage from climate change will be irreversible.

We all know that reaching a climate change agreement at Copenhagen will be extremely difficult. Notwithstanding the commitment of the Obama Administration, there are signs that there will be difficulties in getting a comprehensive agreement through the US Congress. Other major industrialised states have not yet come forward with an indication that they are prepared to sign up to a comprehensive agreement. For example, the position of the Japanese Government, which was revealed only a week or so ago, is extremely disappointing; and other Governments still have a long way to go.

The role of the European Union in getting a global climate change agreement is extremely important: first, because the EU has to agree to its own domestic policies on climate change in order to show that it is serious about tackling emissions; and secondly, because the EU has a crucial role to play in developing a global agreement on providing finance for climate change mitigation and

[Mark Lazarowicz]

adaptation in developing countries. Those are the two essential characteristics of any EU position.

If the EU does not agree ambitious climate change targets, other countries are less likely to follow our lead. Similarly, it is widely recognised that if we are to get developing countries to agree to a comprehensive agreement on climate change, they will expect financial compensation and assistance to allow them to adapt to climate change and mitigate its effects. They rightly say that they are not prepared to make commitments on emissions limits if countries such as our own, which have benefited from a period with no limits, are allowed to get away with not providing anything towards the costs of helping countries that have not previously enjoyed economic growth.

Those are the essential building blocks of any international agreement on climate change. It is therefore essential that the EU agrees a clear and comprehensive position and takes it forward to the negotiations leading up to Copenhagen. Unfortunately, the signs are that so far there have been difficulties, to put it mildly, in getting a European agreement on the type and scale of finance that is required for climate change adaptation and mitigation in developing countries. For example, Finance Ministers were unable to reach agreement on a number of occasions and have effectively kicked the decision into touch for the Council of Ministers to discuss this weekend.

There are now suggestions that an agreement will not be reached this weekend but will be left for the Swedish presidency to deal with at a later stage. It is widely recognised, of course, that for all sorts of reasons the Czech presidency was unable to take forward the negotiations necessary to reach an agreement on a European position. I strongly urge the Government not to allow this weekend's discussions to finish without an agreement on finance for developing countries for adaptation to, and mitigation of, climate change. It would not be right to leave the matter to negotiations in the next few months under the Swedish presidency, as that would send a bad signal to the rest of the world about the EU's willingness and ability to enter into a widespread and comprehensive agreement on climate change later this year.

Jo Swinson: Does the hon. Gentleman agree that it is not just a question of sending a bad signal to other countries? Actually, time is running out. Although the Copenhagen conference does not take place until December, many pre-negotiations will take place in the months leading up to it. If Europe does not agree this coming weekend a firm, good, robust negotiating position that will work for developing countries, there will not be time in those pre-negotiations to get the deal that we so badly need at Copenhagen.

Mark Lazarowicz: I agree that there is a real risk of that situation developing. That is why it is essential that we get an agreement this weekend, and I hope that the British Government will make that one of the themes of the discussions. I hope that the summit will not be allowed to conclude until an agreement has been reached, even if it means going through from Thursday to Sunday or Monday next week. The summit will not be regarded as a success in the run-up to the climate change negotiations if anything other than the most minor details of an agreement are left to future discussions and meetings. It is essential that that point be made in the run-up to the Council.

I wish to refer briefly to two other matters of European policy on climate change that came up earlier in the debate. The first is the common fisheries policy. We have heard repeated in today's debate—by some of those who, although they do not like being called Eurosceptics, tend to fall into that category—the view that the policy is basically a bad thing because it prevents member states from fishing as much as they want to. When it comes to climate change, however, there is evidence that over-fishing is one factor that leads to acidification of the ocean. There have been announcements and scientific findings about that in the past couple of weeks. We must recognise that we have to control fishing and prevent over-fishing. That is one of the many factors that have to be addressed if we are to deal with climate change.

Another issue that was mentioned earlier was the economic rescue and recovery programme. I welcome what is being done at European level on that, too. One disappointment for me in considering the recovery programme so far has been that the elements of what are generally described as green jobs or green employment have not been as strong as they ought to be. I hope that in the European summit that is coming up, the UK Government will strongly emphasise that a high proportion of the funding set aside for the European recovery programme must be devoted to economic activity and employment-creation schemes that recognise the importance of renewable energy and renewable technology, not just in creating employment but in meeting a wider climate change agenda.

I turn briefly to another matter that has been mentioned in the debate and is of concern to me and, I know, to many colleagues: policy on the middle east and the EU's policy towards Israel and Palestine. I welcome, as I suspect do most colleagues, the support and the high profile given by the Obama Administration to getting some type of settlement agreement between the Israelis and the Palestinians. The Administration's approach to the dispute seems to underline clearly the fact that only by putting pressure on the Israeli Government can we get a real change in their position. It is surely no accident that Prime Minister Netanyahu's statement that he would be prepared to accept a two-state solution, even if in a very qualified way, came after the clear message from the United States Administration that they would not be prepared to accept anything less from the Israeli Government.

Similarly, the EU must take a strong position towards the current Israeli Government. There should certainly be no question of any upgrade in Israel's current relationships with the EU until there is genuine movement towards a settlement in the middle east that is acceptable to both Israel and the Palestinians.

The final subject that I should like to deal with briefly is one that my right hon. Friend the Foreign Secretary dealt with towards the end of his opening speech: the question of how those of us who are enthusiastic about the EU and about greater co-operation between the nations of Europe can get our argument over. We have patently not been very successful at doing that, certainly in the recent elections and perhaps over a longer period.

It seems to me that the most important and significant thing that those of us who support the EU and greater European co-operation can do is ensure that it results in not just positive words but positive actions. We can refer to what has been achieved and what we have gained from European Union membership for our own country over many years. The economic advantages of membership of a trading bloc are clear, and we can point to the fact that for the 53 years of the EU we have seen peace between all the member states. One of the objectives of the EU was to prevent European wars from happening again. Whereas in the previous 53 years not only two but six major conflicts in Europe affected states that are now members of the European Union, in the past 53 years there has been no military conflict between members of the European Union. That was a major reason for its establishment; it is certainly one of its major achievements.

However, we must speak not only about the past but about the deeds that can now be undertaken to create greater support for Europe, the European Union and closer and greater European co-operation. Three things need to be done. First, we must end the institutional argument—that is why I welcome the recognition on the Government and Opposition Benches that, if the Irish agree the Lisbon treaty, it will end the institutional argument for some time to come.

Mr. Davidson: Is my hon. Friend suggesting that if a Conservative Government were returned at the next election and if, by then, the Irish had ratified the Lisbon treaty, the Conservatives would not hold a referendum? Surely that cannot be the case.

Mark Lazarowicz: In the unlikely event of a Conservative Government being returned at the next election, not holding a referendum would indeed appear to be their policy.

Mr. Davidson: Surely not.

Mark Lazarowicz: It surprises my hon. Friend as much as it surprises me.

Secondly, we need to tackle reform of the European Union institutions. We have had problems, to put it mildly, about the way in which we have operated as Members of Parliament and about our expenses and allowances. We all recognise that there are also problems at a European level, which cannot be left untouched for much longer.

Above all, our Governments must ensure that the European Union devises solutions and programmes for the important issues of the day. I have mentioned climate change, the middle east, economic recovery, international development and global security. If the European Union can get back on track, tackle such issues and get results, we will witness a major change in the British public's opinion of it.

The British Government have the opportunity to bring about those genuine policy changes and advances at European level. A Government and a party that have links with political parties throughout the European Union have a much greater chance of securing benefits for this country and genuine change and progressive policies in Europe than the Conservative party, which is apparently choosing a road of isolation in Europe through its decision about whom it wants as friends and whom it wants as enemies in European Union matters.

8.22 pm

Mr. William Cash (Stone) (Con): Listening to the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) and his explanation of the reason for the necessity of the European Union after the last war, I wonder, as I often do, what my mother, who is now 90, thought on the day I was born—10 May 1940, when Hitler invaded the Lowlands at Maastricht, the Government fell and Churchill became Prime Minister. It must have been a momentous day for her. On 10 May 1941—one year later—the Germans dropped a bomb on the House of Commons. It seems as though something has been following me for a long time.

I wonder exactly what we think we are in Parliament. We need parliamentary reform enormously, and we must remember that approximately 75 per cent. of what happens in this place is engineered by the European Union. We went into it in 1972, and, I make no bones about it: I voted in 1975 for us to stay in. I have had serious doubts about it ever since, but at least I was prepared to give it a reasonable chance.

Mark Lazarowicz *rose—*

Mr. Cash: No, I shall not give way to the hon. Gentleman—he talked enough rubbish previously.

In July 1990, before Baroness Thatcher was assassinated, we had a policy that seriously began to make sense. She said, "No, no, no" to the developments that had subsequently taken place. I was invited to No. 10 Downing street to a lunch with a fair number of Cabinet members, and she turned to me and asked, "What do you feel about Europe, Bill?" I replied, "The problem is, Prime Minister, that your task is more difficult than Churchill's." She said, "What do you mean?" I said, "Churchill was faced with bombs and aircraft; you are faced with pieces of paper." That has been the case ever since.

Today, our Parliament is a sham. We do not really legislate here—it is done out there, by majority voting, and particularly nowadays, by co-decision. As the leader of the Conservative party made clear in a good speech in November 2005 to the Centre for Policy Studies, we must draw back powers—repatriate them—to govern market legislation, employment legislation and so on. He said that it was imperative to regain competitiveness for this country and, to do that, we would repatriate those powers. He used the word, "repatriate", not "discussion", and not the words that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) used on Sunday, to which I felt obliged to reply. It took me six hours of negotiation with the BBC to be allowed a right of reply—it is all on e-mail and in telephone conversations.

The House is being dragged further and further away from its democratic origins. As I said to the Prime Minister when he made the statement on constitutional renewal, people fought and died to maintain our democracy and the link between the Member of Parliament, the Government and the constituency. That is what people voted for in the previous general election and preceding elections. They did not vote for us to be governed by majority vote, out there in Europe. They certainly did not vote for the Lisbon treaty.

Of course, a referendum would be authorised by Act of Parliament, so those strange people—bizarre eccentrics—who claim that a referendum is inconsistent with our

[Mr. Cash]

parliamentary democracy simply do not understand what they are talking about. Referendums are authorised by Acts of Parliament. Why? Because Parliament decides that a matter is of such importance and so fundamental that it must be returned to the people. I give the Labour Government in 1975 credit for giving people that chance. So many millions of people today have not had that chance.

That is why I say, as I have said before—Conservative Front Benchers know my views; I wrote a letter to *The Times* last week about the subject—that we must have referendum, irrespective of the Irish vote. It is essential that people in this country have the right to decide matters that Parliament has completely bypassed. The Government have betrayed the people—that is why we must have a referendum. It is very simple. As I have said, much of that is to do with, for example, the increase in institutional power, which we are now supposed to regard as being of no consequence. However, the power of co-decision is the most lethal piece of institutional machinery that has been devised. It means that we will have virtually no power over vast ranges of activity.

Mr. Davidson: Let me clarify the hon. Gentleman's position. As I understand it, he is saying that if the Conservatives are elected at the next election, and even if the Lisbon treaty has been ratified, he is in favour of holding a referendum. Does he believe that that is the policy of his Front-Bench team?

Mr. Cash: That is why I passed a note to my right hon. Friend the Member for Richmond, Yorks (Mr. Hague)—because I want to get to the bottom of the matter—and, indeed, why I made my response to my right hon. and learned Friend the Member for Rushcliffe. I have great faith in my party doing the right thing, for the right reason and at the right time, but I shall have to wait and see.

That is part of the problem, so I will continue to pursue my objective in that respect, just as I will continue to pursue my objective of returning the supremacy of this Parliament to this Parliament, because it is not our Parliament; it is their Parliament—it belongs to the people. That is why they deserve a referendum and why they deserve a Parliament that functions effectively. That is also why I say that this Parliament is a sham—because the two conditions that I have described are not operating. We do not have the supremacy of Parliament, nor do we have a referendum, so—it has to be said—this Parliament is a sham.

In 1993, I wrote a piece entitled "A Brave New Europe", which was a chapter in a book, in which I referred to the fact that

"No treaty, no piece of paper, will alter"

the fact that history repeats itself. I said that, at worst, we could return to racism and fascism. In *The Times* last week, I pointed out that I had made those remarks in 1993 about the rise of the far right. I also said then that the traditional conservatism in Europe was a

"dangerous 'Conservatism' known to the authoritarian, even racist, tradition".

Look at the rise of the far right in Austria and Hungary, Mr. Deputy Speaker. Look at it—it is happening on the back of unemployment, immigration and the failure of the European Union. When the hon. Member for Edinburgh, North and Leith talks about all the achievements, I ask the question: what are these achievements, given the mess that we have got into with enlargement in the Balkans, which I mentioned earlier and which I have been concerned about in debates in the European Standing Committee?

In 1993, I talked about immigration coming from the east. I spoke about the fact that we were facing

"the prospect of enlargement to"—

in those days—"up to 20 countries," and about the difficulties of not bringing those countries into a democratic environment. Indeed, what we have brought them into is an undemocratic environment. That is part of the problem. I asked what would happen if they were to be flooded with new immigrants. That is part of the difficulty with the way in which the European Union functions these days.

Finally, in arguing for an association of nation states—a position that I have maintained ever since—I said that I had written a paper in 1991, at the invitation of the then Foreign Secretary, Douglas Hurd, when I was chairman of the Conservative Back-Bench European affairs committee, having been chosen by a substantial majority of Conservative party MPs in a secret ballot. I was asked to write the paper for the Conservative man committee and warned, as I wrote in "A Brave Europe", that the direction in which we were going

"would leave us on the outer hub of a two-speed Europe which would undermine the United Kingdom and the European Community itself. I was staggered when even the words 'independent sovereign state' were removed from the final draft. The lines for the battle of Maastricht were drawn—and it is by no means over.

What is being created is a craven, defeatist, self-destructing European Community riddled and corrupted by a fear of freedom—a *Brave New Europe* indeed.

The forces within this Europe—the artificially created Europe engineered at Maastricht—will darken and destabilise Europe as a whole. The real Europeans must continue the battle from within."

That is exactly what has happened. Indeed, I would go further. The most recent opinion polls show that 88 per cent. want a referendum, while 72 per cent. of the British people believe that we should break the rules of the European Union if it is in our national interest to do so and 68 per cent. do not want the euro. In answer to the question, "Does Europe listen to you?", 71 per cent. said no. That is the reality that we are faced with on a whole raft of matters, including the bullying of the Irish people.

Mr. David Drew (Stroud) (Lab/Co-op): I am sorry that I have come late to this debate, but I have been on a Standing Committee. Given the party political breakdown of those views, does the hon. Gentleman accept that, if anything, the Labour party view would be even more against Europe? However, that is the problem with our party: it is completely at odds with its base of support.

Mr. Cash: That may well be the case in the country at large, but it is certainly not the case in this Parliament, as far as the Whips are concerned. That is part of the reason we are living in a parliamentary sham; that is part of the problem.

On the question of UKIP, the deputy leader of that party stood against me at the last general election, and he lost his deposit. There is a lesson to be learned there:

if we put forward policies that are genuinely in the interests of our electorate and they know what those policies are, they will vote for us. That is exactly what has happened: my majority has tripled since 1997. I am simply making the point, in common with several of my Conservative colleagues, that people will vote for those of us who have consistently pursued a policy of looking after our constituents and the country by arguing the case, not for a completely absurd, negative view of Europe but for trying to make Europe work properly. That is the whole point.

In order to make Europe work properly, we have to have an association of nation states. If hon. Members read the speeches of Václav Klaus of the Czech Republic, they will see that he speaks exactly the same language. I have done many conferences with him, and we talk the same language for the same reasons. We want a Europe that works; we do not want a European Government. As my right hon. Friend the Member for Witney (Mr. Cameron) said the other day, we want trade and co-operation. I must have said that a thousand times. We also want British laws for British judges. That was my comment, which I made to the Prime Minister on 10 November last year, and which was picked up by UKIP.

If we had a policy that genuinely argued for the kind of Europe that we ought to have, I know that we would win the next general election by a landslide. We would see the end of the BNP argument on the Europe front. I have already argued against racism—I was arguing against it back in 1993—but the plain fact is that people have not been listening. We have argued our case, and I have put myself on the line over this matter. My constituents—in Stafford up to 1997, and subsequently in Stone—have backed me all the time, and so has my local association, although I can tell the House that there have been attempts periodically to destabilise my position. During the critical time of the debates on Maastricht, Mr. Ted Bowers got up at the end of my speech to the annual general meeting and said, "Mr. Cash, remember the words of Churchill: your first duty is to your country; your second duty is to your constituents; in the third instance, your duty is to your party's policy and programme." Anyone who adheres to that is doing the right thing for their constituents and for their party, because, as Disraeli said, the Conservative party is a national party or it is nothing. He did not mean nationalistic; he meant national. We must have a programme involving an association of nation states that can and does work, and that is what people want.

When we look at the comparisons between ourselves and the eurozone, we see that, time and again, we have done better: on inflation, on employment and on a whole raft of measures. As we move towards the summit that is coming up in a few days, the bottom line is that it is time for the Government to stand up for this country and to stand against the ridiculous sell-out on City regulatory matters. They must stand up for this country, because if they do not, this place will remain a sham. We need to stand up for our parliamentary democracy, because it is the electorate's democracy, not ours.

8.38 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I strongly agree with the point made by my hon. Friend the Member for Glasgow, South-West (Mr. Davidson) about the recent European election results. It is as plain as a pikestaff that the two parties that did well were the two Eurosceptic parties, and that the two that did badly were the Euro-sycophant parties. That includes the Liberals, who are kind of Euro-daft. The vote went very much against Europe in those elections, and if we ignore that very obvious decision, we are not listening to the people.

My heart was lifted up during the game of musical chairs that constitutes the appointment of the Minister for Europe these days. I thought that the party, having gone through all the available Euro-sycophants, might have turned to me, as a man with sensible, moderate views on Europe. So I sat there all weekend, but the phone did not ring. I have to confess that I was very disappointed.

The result of the election is a clear signpost to the Government. We cannot say that whatever the people think about Europe is wrong or that whatever is damaging to Europe is wrong. We simply cannot say that to the people, because of the kind of frustrations that led, for instance, to the increase in the British National party vote.

David Taylor (North-West Leicestershire) (Lab/Co-op): Unfortunately, a BNP county councillor was elected in North-West Leicestershire, in the heart of the constituency, and the vote continues to build. I share, endorse and applaud my hon. Friend's views on Europe in general terms, but may I correct him in one respect? Although UKIP is certainly Eurosceptic and benefited from being so, the BNP is much more than Eurosceptic; it is xenophobic, which is much worse and much more significant.

Mr. Mitchell: I am not defending the BNP; I am trying to explain the nature of the vote. What will happen when people come to us and ask why the Government cannot do more to help industry and all we can reply is, "Aid to industry cannot be allowed in Europe," or if the Government's reaction to proposals for retrospective business rate payments in the docks, which will cause closures and unemployment, is that they cannot stop them because aid to industry will be struck down in Europe? What about when people say they want something done about immigration or labour conditions or that they want British jobs for British workers at the oil refineries on south Humberside and all we can reply is, "Sorry, we cannot help you; Europe stops us from doing anything"? That speaks of the kind of futility and discontent that leads to an increase in the BNP vote.

We all know the old joke about how many MPs it takes to change a light bulb. Nowadays, the answer is not 646, but 785—the number of MEPs required to change a lightbulb, because it is something that we in this Parliament seem unable to do. That cannot be good for democracy, and it is certainly true that the EU is not good for the economy. We are now moving towards cuts, stringency and austerity—a period in which there will be an onslaught on Government spending probably from both main parties, although it will, of course, be more massive from the Conservative side.

Let us look at the burdens imposed on us by Europe, which have increased for two reasons: the first is our former Prime Minister's agreement to give up a substantial

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chunk of the rebate in order to bring about reforms in the common agricultural policy, which everybody knows we will not get and we cannot get in any case until 2013; and, secondly, payments to Europe are increasing because of devaluation. Those payments have to be made in euros across the exchanges, so every time the pound goes down, the payments increase.

Our net contribution, excluding the £2 billion or so we contribute to projects such as Galileo, which is about providing a satellite guidance system that people have to pay for, unlike the American one that we get for free, is now about £6 billion a year. That is spent across the exchanges, and it increases to £7 billion and a bit because of devaluation, while the £2 billion increases to £2 billion and a bit, so we are ultimately talking about £9 billion and a bigger bit before we have even started. That contribution does not include the costs of the common agricultural policy, which the OECD calculates as having a real resource cost of £15 billion for our economy, or the common fisheries policy, which was much praised by my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz), but which costs about £3 billion a year in fish that are not caught by British vessels but are taken to Europe and sold there, without any contribution to processing jobs in Britain. Then there is the cost of regulations, which is calculated at about £28 billion.

Finally, there is the cost in lost growth because Europe drives with the brakes on the economy. The non-European world economies grew over the last 10 years, before the recession, at 3.8 per cent. a year, while Europe's economy, including ours, grew at 2.6 per cent. a year. Why? Europe believes in deflationary economic management, which means that we lose about 0.5 per cent. of our gross domestic product annually. That is a cumulative process, so we are losing about £7 billion a year in growth that we would have had if we had not been forced to make these contributions and join this club.

That is damaging the British economy. We are carrying a considerable burden—the second greatest in Europe—and we cannot afford to carry it at a time when the Government are going to launch themselves into cuts in budgets of all kinds. Why should we make such a massive contribution to Europe and across the exchanges at such a time?

Last night, in the Public Accounts Committee, we agreed a report on financial management of the European Union. That might be considered quite a comic issue, and the report is pretty hostile and critical. I do not want to quote from it because it has not been published yet, but I must point out that for 14 successive years the European Court of Auditors has refused to agree to the European accounts. There is enormous scope for fraud and fiddles in the two biggest funds, the cohesion and common agricultural policy funds. Between them, they hand out 80 per cent. of Europe's expenditure. Eleven per cent. of spending on the cohesion funds is irregular, while between 2 and 5 per cent. of spending on the common fisheries policy is irregular. That leads to massive deficits.

According to a fascinating book by Marta Andreasen, a former auditor to Europe, in 2003

"the Court of Auditors had estimated that 50 per cent. of suckling cows which were claimed to be grazing in Portugal did not exist. Eighty-nine per cent. of farms in Luxembourg had submitted claims for payments"—

area payments—based on an inaccurate assessment of the area of those farms which, if correct, would have doubled the size of Luxembourg. We are told that

"In Greece, one enterprising farmer...claimed"—

and he was paid—

"to have lost 501 sheep to wolves between 2000 and 2004".

That is the way in which the money—our money—is wasted, and the European control system appears to be incapable of doing anything about it. The book from which I have quoted, which I hope Ministers, including Treasury Ministers, will read, shows that the funds are controlled by énarques—brilliantly educated French civil servants whose role is to oppose all reform, all change and all adequate systems of auditing, because they would expose the embarrassments and corruption that go on. That is the benefit that we obtain from Europe.

My mother once told me that at the first election meeting that she ever attended, which was in Halifax just after the first world war, the Conservative candidate was obviously to a degree simple-minded. His mother spoke for him: his mother was a lady. She asked the electorate to be "to his virtues very kind, to his faults a little blind". That is our position on Europe in the Labour party, apart from the fact that we are not a little blind but totally blind to its faults.

I consider it tragic that some of the finest minds in the country, including Foreign Ministers in the Labour Government, are involved in the development of second-rate excuses for third-rate policies imposed on us from Europe. A classic example was given earlier in connection with the referendum. Such tortuous reasoning is devoted to explaining that a constitution on which there could have been a referendum, because it involves a basic change in our democracy, is very different from a treaty which is not important although it contains exactly the same provisions, and that while it is possible to vote on one, there is no need to vote on the other. That kind of tautology cuts no ice with the British people. They regard us as fools for even listening to it. They want a referendum, but we are having to listen to a tortuous, Jesuitical explanation saying that they cannot have a referendum, because this is a treaty and not a constitution. I think that that is partly, indeed largely, responsible for the degree of alienation that we are facing. We are trying to sell a culture of lies to the people.

The classic argument about the referendum relates to what is happening in Ireland. The Irish did reject it, and we are now involved in shipping container-loads of blarney over to Ireland to persuade them to vote in favour of something that they have already rejected. As has been pointed out, there have been concessions, but if they are not in the treaty, they are not valid and cannot be sustained, and if they are in the treaty, we will have to re-pass it in this place. I am afraid that all this might well work, however. The Irish have been scared into thinking that if they vote no this time, they will be on their own and out of Europe, and that they will therefore not get all their agricultural subsidies, which will produce terror.

I remember my first visit to Brussels. It was in the early '80s, and I was with a party of Irish MPs. One of them was a member of Fianna Fail. We were in the back of a bus, and he had had a bit to drink—although not much—and he was enthusiastically singing the following

campaign song for us all the way around Brussels: "Arise and follow Charlie." That was a reference to Charlie Haughey, and his rendition of the song was stirring. This time the electorate in Ireland need a slightly different theme song, however: "Arise and follow Tony." In other words, if the Irish vote for the constitution, they will get Tony Blair as President. That would be a big inducement to them to turn out in their thousands or millions to vote for the constitution. I am afraid that our hope that we might get a vote in this country because the Irish have rejected the treaty will probably be vitiated, therefore, but that is just me being gloomy in my assessment.

I want to conclude not by being gloomy, however, but by saying that what we need in this European debate is neither the vacuous enthusiasm of the Liberal Democrats—and, indeed, of those on the Labour Front Bench—nor the negativity of UKIP, but just a degree of realism. Why cannot the Treasury do a cost-benefit analysis of the gains and losses of being outside Europe? Why do we not have that to put to the British people so that they know all about what is involved—what they are paying for, and what they are getting? We should provide that information, instead of debating abstractions such as "Europe is wonderful for the environment" or "Europe is good for fish"—a manifest untruth that will cut no ice in Iceland. We should not indulge in such mythology and enthuse about a Europe that does not exist. We would get sensible decisions from people if we gave them sensible information, and if we ourselves had sensible information. It is the responsibility of Government to tell us what we really get from Europe, and the responsibility of the Treasury to do an accurate and full study of the costs and benefits of Europe. On that basis, we could take rational decisions, which is not the basis on which we can take them now.

8.53 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure and honour to participate in this debate. Having listened to the previous speakers, I find that I am probably in the unique position of rising to support my Front-Bench colleagues, rather than to speak against them. May I begin by welcoming the new Europe Minister to his place? It seems that the shelf life of a European Minister is about one year, so he might just make it to the next general election before he is rotated into another post, but he is most welcome, and I look forward to hearing what he has to say in response to the many questions that have been put in the debate.

Many of us come to such debates having dusted off the old speech we have used in previous years and say the same things about our position, either for or against Europe. Today, however, we are in a very different situation, and we are certainly in unique times. Let us just pause and think about some of the events that have taken place over the past couple of months. We have had an expenses scandal that has rocked the foundations of Parliament itself. We are enduring one of the worst economic downturns since the second world war. We have had record jumps in unemployment. We have had disastrous local election results for the governing party, to the point where it no longer represents any county in the country. We have also had calamitous EU election results for the ruling party, in which it got only about 16 per cent. of the vote. We have had the resignation of 11 Ministers, and *The Guardian*—a left-wing newspaper—has called for the Prime Minister to go. Also, as revealed today by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the Foreign Secretary has considered resigning. Each of those events is dramatic, but taken together they are unprecedented.

One would think that the Prime Minister might get the message that he and his Government are unpopular and that it is time for a general election, but efforts by Labour Members to try to unseat him did not get anywhere; in fact, his weakness was put into context only by the weakness of the plot to oust him—and so this discredited Government limp on for another year. In the recent elections Labour managed to poll only about 15 per cent.—the last time it polled that sort of figure was in the days of Michael Foot—and came third behind the UK Independence party; the Labour Government were the first to allow the British National party a foothold in the European Union; and Labour was also beaten by the Scottish National party for the first time in a UK-wide election. The results were disastrous for Labour, so I have been amazed by some of its Front Benchers saying, "We'll ignore all that. We'll ignore what the nation is saying and plod on in our own way. We believe that what we think is right is the way forward, and that the very people who voted us in are wrong." That shows how out of touch this Government are, and why we are in such need of a general election.

There are many reasons why Labour achieved such a dismal result, one of which relates to the Lisbon treaty—or the reform treaty, to use its correct name. The public have never had their say on that treaty, which is so pivotal to today's debate and to our relationship with the European Union. Of course, the nation knows that we were promised a referendum in Labour's 2005 manifesto, and that semantics are being relied on to say that we do not need to have one. Hon. Members may recall that on the very day the treaty was signed, 13 December 2007, the Prime Minister turned up after all the other leaders of the various countries had signed the document, popping in during the evening to try to avoid the cameras. That shows how embarrassed the Government and the Prime Minister are about this treaty, and why they are ignoring what the nation is trying to say today.

Another aspect of the Lisbon treaty that has been mentioned many times today is the pivotal position of Ireland, whose people voted against the treaty in their referendum. Not being content with that result—not being content with democracy having its say—the EU has put pressure on Ireland to hold the referendum again. What does that say about the moral authority of, and democracy in, the European Union? What does that say about listening to the people and how they have voted? Of course sweeteners will be given to Ireland, and we will have to wait to see the outcome of any result, but it is sad indictment of the democratic standards that we try to uphold in this House and beyond that when we are not happy with a result, we then work on the situation until we get the result that we require. I plead with the Minister to recognise that there is a desire for the electorate—the stakeholders, who very much have an interest in this—finally to have a say. Why not allow us to have the referendum that was promised in the manifesto?

Mr. Davidson *rose*—

Mr. Ellwood: Perhaps the hon. Gentleman has an answer.

Mr. Davidson: I seek to propose a question. The hon. Gentleman said that he is in full support of his Front-Bench team and a referendum on the European constitution/treaty. Can he clarify what the position of his Front-Bench team is on what they will do if the Conservatives win the election and the Irish and the rest of the European Union have already ratified the treaty? Will the Conservatives still be committed to a referendum, or can the Tories not be trusted on Europe?

Mr. Ellwood: The hon. Gentleman posed the same question to my right hon. Friend the Member for Richmond, Yorks at the beginning of this debate and he will get exactly the same answer now. The sooner we have a general election in this country, the sooner we can have that referendum too.

Mr. Davidson *rose—*

Mr. Ellwood: Perhaps the hon. Gentleman would allow me to finish my sentence. If he is keen to have a referendum, as he implies, I encourage him to call on his colleagues on the Front Bench to hold a general election so we can have the referendum that we all want. We need a referendum because of the scale of the question.

Ms Gisela Stuart: At least the Irish have been given a second chance to have a say. The Dutch and the French, who also said no the first time, have lost the right to have a say. It is therefore imperative for the Conservatives to give a clear commitment that, whatever the circumstances, they would give the people a say. It would be really good to hear that right now.

Mr. Ellwood: The hon. Lady just glosses over the fact that the Irish are being given a second chance, as if they should somehow appreciate that. We have not even had a first chance. Why not give it to us? Let us have a general election, and then we will have the opportunity. I promise the hon. Lady that it will be in our manifesto, and it will be done very quickly.

Let us remind ourselves what would happen if the Lisbon treaty were fully ratified by this country. We would be signing up to an EU President, an EU Foreign Minister and a single legal personality for the EU, under a self-amending treaty, with national vetoes to be abolished in 60 key areas. It was interesting listening to the Chairman of the Foreign Affairs Committee—who disrespectfully scuttled out of the Chamber 10 seconds after he had finished his speech. He talked about the European Union as a volunteer club, and many hon. Members would agree that that is exactly what it should be. We are volunteers in the club, and we have some general interests on which we come together, but there are ways in which we differ greatly from each other. Like the hon. Lady, I grew up in Europe—[Hon. Members: "We all did."] I meant that I grew up in various different places across Europe, rather than in one place, but I am grateful for the correction. The important point is that there are some wonderful differences as well as the things that bring us together.

The European Union is forcing us together and labelling us all the same. We are not all the same; we have some interesting differences—we manage our economies in different ways, for one—and those are what we hope to defend. "One size fits all" simply does not work. The consequence has already been seen when the EU tried to speak with a single voice about what should be done about the threat from Saddam Hussein. There was no unilateral agreement. The same happened with Bosnia. I served in Bosnia in the lead-up to the Dayton peace accord. That was an EU responsibility, and if I remember correctly, it was Lord Owen who walked away from the table. He was the EU representative, but he could not make progress. It had to be done by the Americans, and it was not until Richard Holbrooke came in that we could sign the accord and get things moving.

Europe should be less like line dancing and more like rock and roll. We all want to dance to the same tune, but we do not want to dance all lined up with arms linked; we want to do our individual thing in the same room, enjoying ourselves as neighbours. Labour Members claim that the Conservatives want to run away from the European Union, but that is wrong. We want to change the European Union to make it work for the benefit of Europe. It was designed to provide a platform for free trade. It was also designed, as the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) said, to prevent conflict, but it has now gone beyond that and is taking powers away from sovereign nations to run Europe as a whole. That is where we say enough is enough, and that is why we say that powers should be handed back.

We had an opportunity to vote on this issue in March 2008, and I am proud to say that I voted against the Lisbon treaty and in favour of a referendum. Sadly, we will not get one from this Government, and they are running away from what the nation wants.

It was interesting to hear the comments of the Liberal Democrat spokesman. Rather than trying to justify why his party scored an abysmal 13 per cent. in the recent elections, he chose to attack the Conservatives. He did not even touch on what Labour had to say. That reflects the writing on the wall about where things are going with the movement of power in this country.

I believe that a voluntary club is the idea on which we need to focus, and that that is what a Conservative Government would bring about. At the moment 27 countries containing 490 million people are in the EU. As has been mentioned, Croatia, Turkey and Macedonia, along with other countries, want to join. Indeed, 10 years down the road we are very likely to see other countries, such as Albania, Bosnia and—moving forward—Ukraine and Turkey, becoming members. Will it be possible to get all those people round the table to agree some of the key policy issues on international foreign policy? No, it will not.

The worry is that that will lead to stagnation. Decisions will not be made, and we will end up trying to run Europe as a whole. That will mean that we will lose the individuality that is so critical in allowing countries to flourish as they have, while being united closely enough to avoid the wars that were the original reason why the Union was put together in the first place.

Much comment has also been made on what will happens with the European People's party. People need to understand how the European groups operate in order to comprehend fully why many parties sign up to them. They get funding: that is the bottom line. They get large sums of money. If a party breaks away from those groups—from the EPP, the party of European

Socialists, or the Alliance of Liberals and Democrats for Europe—it loses an awful lot of funding. That is one reason why many other parties are not thinking of jumping ship right now, or are cautious about it. They want to ensure that the Conservatives are forming a group that will move forward. We are proving that that is the case.

I am sure that announcements will be made in the not- too-distant future about how we will set up a group that will say, "We want the European Union to work, but we do not want to cede powers substantially. We want to honour the nations individually, too."

Mr. Davey: Would the hon. Gentleman be quite happy if Conservative MEPs sat with the Law and Justice party from Poland?

Mr. Ellwood: The hon. Gentleman repeated all the jokes that we heard from the Foreign Secretary, and they were not funny the first time. He needs to wait and see the group's full complement. He will see how powerful it will become and how much of a stronger voice it will be in the EU.

I am running out of time, but I want to reiterate the point that I made in an intervention on the Foreign Secretary to do with the problems of the relationship between NATO and the EU. As I have mentioned, I visited NATO recently, and I was astonished to learn that there is no formal agreement whatever. The two operations in Brussels do not talk to each other formally, because in NATO Turkey refuses to talk to the EU, and in the EU Cyprus refuses to talk to NATO. We cannot have such powerful organisations using such large sums and dealing with matters as serious as security not only in Europe but in the middle east and beyond, if those organisations cannot operate sensibly. As a consequence, the responsibilities of the two organisations are starting to overlap. Mission creep is taking place. Security, humanitarian aid and so on are all things that NATO does extremely well already, but the EU is now doing exactly the same sort of things. There needs to be better co-operation, so that they decide who is doing what. At the moment, that is not the case.

NATO has huge experience in peacekeeping and stabilisation operations, monitoring EU elections and so on. Why are we deciding to repeat all that, using very much the same people but in a different guise under the EU? Let us understand what the EU can do; it can do certain things well—but Bosnia is one example of where it did not work, and Iraq is another.

We need to recognise that there are limits to what large international institutions can achieve. The Galileo project has been mentioned, and what an astonishing waste of money that is. It merely replicates something that already exists, and I do not understand why we do not hear more objections from Labour Members. When it was put to a vote not long ago, they were whipped into approving huge sums of money for a system that will probably never fly. There is one satellite up there now, but there are supposed to be 24. The system is about five years out of date, and it is simply not going to work.

I have been dismayed by what I have heard today. The elections gave us in Parliament an excellent opportunity to listen to the electorate and understand what people want. It is clear that people want to put a halt to wandering any further into the relationship with the EU. They want to make the EU work, but only up to a certain point, and that is exactly where the Conservative party wishes to place itself. I remind the House of the EU's original objectives. If we were to review them now, and understand what we can do with the EU, we would march forward to a better tune and in a better direction than the one that we are going in now.

9.11 pm

Kelvin Hopkins (Luton, North) (Lab): It has been a long wait to be called, but worth it.

I am very pleased to say that, in my borough of Luton, Labour came first in the European elections. We had a good result, with slightly more votes if a slightly lower percentage. I have a very high profile as an opponent and critic of the EU. Indeed, I toured on an open-top bus with a loud hailer during a mini-referendum that was held in the town on whether we should have a full referendum on EU membership. We won it massively: there was a big majority in favour of a full referendum, and there were pieces in the newspaper and on television and so on. I might be flattering myself, but I like to think that I had a small influence on the election result in Luton and that being very critical of the EU actually benefited Labour in the town. I might say that we also had a very successful campaign against the British National party.

The results show that only a small proportion of those who voted were Euro-enthusiasts. I suspect that the overwhelming majority of the 65 per cent. of people who did not vote were not Euro-enthusiasts, as such people would have known that they were under pressure and so made sure to get their vote out. I suspect that the people who did not vote were either Eurosceptics or, at best, disinterested or cynical about the EU. It is clear that an enormous majority of people in this country take a critical position on the EU, and only when we move to a more democratic Europe—an association of independent democratic states collaborating for mutual benefit, and not a bureaucratically driven economic arrangement—will we see Europe becoming more popular.

However, what I really want to talk about is the European economy because, in common with the rest of the developed world, it is in serious difficulty. We have been affected by the recession and the credit crunch very badly, but differentially: in the first quarter of 2009, UK gross domestic product declined by 1.9 per cent., but in the same period the eurozone's GDP fell by 2.5 per cent., while Germany's fell by 3.8 per cent. Despite that, Angela Merkel is critical of the UK's policy of providing fiscal stimulus by putting money into the economy to sustain demand through these difficult times.

I think that the policy is absolutely right. I might criticise details, but we have taken the right approach. We have to sustain demand through this difficult period, because otherwise we would be in even worse trouble.

Mr. Drew: Does my hon. Friend accept that there is at least a note of irony here? It would appear that Chancellor Merkel is the favourite to win the German elections later this year, at a time when capitalism is in crisis. The simple fact is that that is because the left is not believed, due to its passionate support for the EU. Clearly, that is a dilemma that all of us on the left face.

Kelvin Hopkins: My hon. Friend is absolutely right. The Social Democrats are in coalition with the Christian Democrats and are being dragged along. German working people and trade unionists face a choice: they can vote either for a collaborationist Social Democrat party, or for a Marxist party that is based on what is left of the East German Communist party. They find that a very difficult choice, and I suspect that many will not vote at all. If the Social Democrats came out with a strong, democratic socialist, Euro-critical position, I suspect that they would do much better in the elections than if they were just dragged along by a right-wing, deflationist Government.

There are many reasons why I think that Britain is better placed to weather the storm. The major one, of course, is that we are not members of the eurozone. One thing on which I congratulate my right hon. Friend the Prime Minister is having kept us out of the euro. For the past 12 years, we have had the advantage of having our own currency. There has been substantial sterling depreciation, which has been helpful. I know that there are costs and benefits to depreciation, but by and large it has been beneficial; there has been a slight improvement in our balance of trade in these difficult times, and it is right that there should have been. Unfortunately, we have had an overvalued currency for some years, but it is now coming into line. That is a necessary correction, and I hope that we sustain at least some of that depreciation for the longer term.

We also have control of our interest rates, and can adjust them monthly to benefit the economy. There was a massive drop in interest rates, and that was followed in other countries, too. It affects those with mortgages. Members of my family have had their disposable income increase by £300 in a month. That has put an enormous boost into the economy just when it was needed. That is another benefit. There has also been some printing of money to help us on the way.

The crisis in the eurozone is most interesting. There is speculation about whether it will survive at all. In May, the German Finance Ministry was drafting plans to prevent default by countries on the edge of the eurozone. Such a default could lead to a full-blown collapse of the EU's monetary system, yet years ago a solemn pledge was given to German voters that the German political elite would never leave German taxpayers exposed on the hook of the debts of half of Europe, which is what is happening. The countries involved have a dilemma: do they save the eurozone, or look to their own economies?

The eurozone's bail-out liabilities could be enormous. Italy is in serious difficulties. It has net debt of 111 per cent. of gross domestic product—that is more than twice our figure. Austria has loans to eastern Europe that are equivalent to 70 per cent. of GDP. Spain has serious problems, and we know about the position of Ireland. We should dwell on Ireland; if it had not joined the eurozone, it could have depreciated its currency in line with the depreciation of sterling and saved itself an awful lot of pain, as its major trading partner is, of course, Britain. It blames us for depreciating, but what were we to do? We could not sustain our currency at an overvaluation just to help the Irish; we have to do what we must to help our economy. I have even suggested to Irish politicians that they might re-introduce the punt and devalue to help their economy. They are rather shocked at the thought, but it is a practical proposition.

The eurozone is in a critical state, especially for Germany. In Germany, a mortgage lender, Hypo Real Estate, is imploding, despite the fact that it has been lent €87 billion of state money. The German Finance Minister, a Social Democrat, has said that nationalisation is inevitable. If Germany does not nationalise it, there could be a collapse with an impact similar to that of the collapse of Lehman Brothers. There are really serious problems inside the eurozone, and Germany has a dilemma: does it move towards an interventionist policy, in which it borrows and spends considerable amounts of money to save the German economy, or does it spend even vaster sums of money bailing out weaker members of the eurozone? It is a real question whether the eurozone can survive. If one or two members on the outside start seriously to default, and perhaps to withdraw, the whole shooting match could be over. As I have said in previous debates, there are those in Germany who, quietly behind the scenes, think that there is a possibility—or probability—that eventually Germany will withdraw and go back to the Deutschmark, and that national currencies will once again be created.

This year, 700,000 German workers will lose their jobs. They will not be at all pleased, to put it mildly, to see vast sums of what is effectively German money being used to bail out weaker members of the eurozone. I suspect that there will be a point at which some politician will be brave enough to say, "The eurozone has gone far enough, it does not work, and it does not benefit Germany or anyone in Europe."

Currencies are necessary as shock absorbers between economies. We are not one economy; we are an association of economies that trade with each other, and those economies must have a degree of independence to ensure that they are managed at a national level, not at a supranational level by bureaucrats in Brussels.

Mr. Walter: For the past five minutes or so, I have listened to the hon. Gentleman's tale of doom about what is going to happen to Germany. Can he tell me how much money the German taxpayer has used to bail out those other economies? I am not aware of any.

Kelvin Hopkins: I am speaking about what will have to be done to keep the eurozone a reality. If the smaller, weaker economies start to default, the big rich countries will have to bail them out. If those start to default, there will be serious trouble.

Ms Gisela Stuart: May I add to the debate? The monetary union is not a credit and debt union. Bail-outs have not yet happened, and of course they would be useless because long-term intervention would be required. For Germany to be in a position to rescue other currencies would require a change in the structural arrangements.

Kelvin Hopkins: There are debates about whether that would be illegal or acceptable. If there is a monetary union with a single currency and the members are still effectively separate countries, they cannot allow individual countries to collapse, in the same way that we could not allow Yorkshire to collapse.

Mr. Hague: Unthinkable!

Kelvin Hopkins: Indeed. I should perhaps have said Bedfordshire; I stand corrected.

If the deflationist tendencies in the eurozone continue, particularly in Germany, we could see uncomfortable parallels with the early 1930s and the Brüning deflation, to which the hon. Member for Louth and Horncastle (Sir Peter Tapsell) constantly refers. He is wise and knowledgeable in these matters and he keeps drawing attention to the fact that what led to the rise of Hitler was the deflation in the early 1930s under the Weimar Government. That is the danger.

We must have reflation, managed economies, intervention and a return to the kind of economic strategies that worked very well between 1945 and 1970. That was a world of full employment, growth, redistribution, growing welfare states and relative equality—a much better world than we have now. The present situation is insecure and frightening. A more democratic socialist approach to Europe, with individual member states managing their own economies, taking account of other countries' interests and working together co-operatively where appropriate, would be a much more sensible way forward towards a Europe that worked.

9.23 pm

Mr. David Drew (Stroud) (Lab/Co-op): I shall be brief in order to allow the hon. Member for Isle of Wight (Mr. Turner) to speak.

I was in Committee earlier, but since I have been in the Chamber all the Labour Members who have spoken represent what I would call the traditional Labour view, rather than the view of new Labour. Although I did not hear my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), I know that he made a ripping good speech and said what I would like to have said.

I shall make three quick points. I spent last Friday evening with good friends at the annual presentation of the Stroud and district skittles association, of which I am a well known advocate. One of my friends there, who is well into his 70s, had to admit, with some shame, that for the first time in his life he had not voted Labour in an election. I know that he is a regular voter because I keep an eye on him. He did not say how he had voted, but he said that he did not vote Labour because he felt robbed, as we had failed to deliver on the referendum on the Lisbon treaty. It was as simple as that. He felt that the party could no longer be trusted. Although he finally said that he would vote for me, until we are trusted on that there will be a huge divergence between the support base of the Labour party and what the party and members of its Front-Bench team stand for. Until we overcome that, we will be in grave difficulties.

My second point is that the Labour party did so badly in the European elections because, yet again, a totally alien electoral system was foisted on us. The closed list system has no history that makes any sense in this country, and I know that on polling day many people were confused about the length of the list of people and parties for which they could vote. The system's antecedents are alien to this country, and we must ditch it. We loved the Justice Secretary's explanation of the d'Hondt system, which kept many of us riveted during the most boring of those Electoral Commission debates that led up to the introduction of the new electoral system. However, it is wrong, it has been proved to be wrong and it has cost this party dear.

My third point, on which I intervened on my hon. Friend the Member for Luton, North (Kelvin Hopkins), is about the anger felt on the Labour Benches. At the very time that socialists should feel that the capitalist system has a huge question mark against it, the greatest losers in the recent elections, and those who stand to be the greatest losers in the national elections, are on the left. The reason why the left is losing is, quite simply, that our electorate do not believe us on economic policy, and that is because we have fastened ourselves to the mast of the European Union. Until we regain some credibility with our electorate on that issue, they will continue to vote for other parties, and not even for the main Opposition.

Mr. Walter: Will the hon. Gentleman give way?

Mr. Drew: I shall not, because I want to give the hon. Member for Isle of Wight at least a couple of minutes.

Until we are absolutely clear that we have a policy on Europe which is more in touch with our voters, we will face that problem. The real anger and dilemma that many of us face when we see Governments of the right sweeping through national elections is entirely down to the fact that we as a party are so arrogant, so indifferent to our electoral base and so completely beset by the notion that we will eventually persuade them that we are right—when the reality is that they are right and we are wrong.

9.27 pm

Mr. Andrew Turner (Isle of Wight) (Con): My first point is about the European common fisheries policy, which has completely failed. Only last month, the EU Commission was forced to admit that its quota fishing system had failed. The position paper stated that 88 per cent. of European fishing stocks are overfished and 30 per cent. of managed fisheries are now outside "safe biological limits". The single market is encouraging greed in the fishing industry at the cost of ecosystems and the national fish stocks that they support. Enough is enough. The best place to make a safe and sustainable fishing policy for Britain is here in this House. Is it not time to renounce the European common fisheries policy before the British marine ecosystem is damaged for ever?

My second point is that, although the single market has some clear advantages, such as the removal of trade barriers, there are elements that still harm rather than help our country. First, there is the open-door policy for labour to move back and forth across our borders. That may help to fill vacancies for unskilled labour and the like, but it may be damaging to the future of certain professions in this country. I am sure that Members from throughout the country will have heard stories, from their constituents or in the media, of EU workers undercutting their British counterparts. I welcome healthy competition in the market, but prolonged and widespread cost undercutting in plumbing and joinery, for instance, damages our economy. It forces many British tradesmen to retrain or leave their professions entirely. Some people simply have nowhere else to go and join the unemployed. As we have seen, since the expansion of the EU, labour has almost always been in a state of flux. Once British tradesmen have been forced out of the market through undercutting, British expertise will be lost. If the migrant workers decide to return to their home countries, who will be left to carry out the work?

9.30 pm

Mr. Mark Francois (Rayleigh) (Con): It is a pleasure to wind up this debate on behalf of Her Majesty's Opposition. I am particularly pleased to be following my hon. Friend the Member for Isle of Wight (Mr. Turner); we are delighted to see him back in his place, speaking so eloquently on behalf of his constituents.

I take this opportunity to welcome the hon. Member for Rhondda (Chris Bryant) to his new responsibilities. He will now serve the Government as an Under-Secretary of State at the Foreign and Commonwealth Office and will have the additional responsibility of being the Government's spokesman on European matters in the Commons, as their Minister for Europe now sits in another place. I first crossed swords with the hon. Gentleman in 2004, during a Westminster Hall debate about Gibraltar. Shamefully, the Government were trying to sell out the people of the Rock in a deal with the Spanish Government behind their backs. We won that argument and I hope to win other arguments against the hon. Gentleman in future.

There have been some lively Back-Bench speeches in this debate; I shall not go through every one in turn, but I noted that the majority of speeches from the Labour Back Benches opposed, rather than supported, their Government's policy on Europe. There were a number of interventions, including on my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), from the right hon. Member for Rotherham (Mr. MacShane), who, unfortunately, is no longer in his place. Presumably, he is quietly consoling himself following his failure to get the job of Minister for Europe when it came up again. A number of us, himself included, wondered whether he would be recalled to the colours when an opportunity presented itself. The call, however, did not come. But we have news for him. He should not be too downhearted; given the very high turnover of Labour Ministers for Europe—there have been 11 since 1997—it is not inconceivable that, if he hangs on a little, he will get an opportunity to serve in that position again.

During the last debate on Europe, we discussed the situation in Georgia. In the intervening time, unfortunately, the situation has not improved. It is now almost a year since the Russian invasion of Georgia, and Russia has still not abided by the terms of the ceasefire brokered by the French EU presidency. Specifically, Russian troops have not returned to where they were prior to the invasion. Russia has still not allowed Organisation for Security and Co-operation in Europe monitors into South Ossetia, and ethnic Georgians expelled from areas under Russian control have still not been allowed to return.

Given that, it was wrong for the European Union, supported by the Government, to begin discussions with Russia on a new EU partnership agreement. It would be doubly wrong for the EU to agree the terms of a new partnership agreement with Russia while that country is in flagrant breach of the ceasefire agreement that the EU itself negotiated. I would be grateful if the Under-Secretary reassured the House this evening by saying that the Government will not allow the signature of any such agreement while Russia remains in breach of its ceasefire commitments. *[Interruption.]* I know that the Under-Secretary is new to the Front Bench, but when his opposite number asks him a specific question for his winding-up speech, it is considered courteous for him to listen, not least because if he does he might be able to provide a reply for the benefit of the House.

Having welcomed the hon. Gentleman to his new post, let me turn to Bosnia. In the last debate on Europe, we set out a number of the challenges faced by the international community there. Since then, unfortunately, there has been minimal progress; Bosnia and Herzegovina's dysfunctional central institutions are still racked by nationalist rhetoric. The Office of the High Representative is still under threat of closure, and the EU is still planning to remove its peacekeepers. Despite that period of drift, we have seen some signs of a renewed commitment to Bosnia in the new United States Administration, in particular from Vice-President Joe Biden. We hope that that leads to a greater recognition on the part of the US and the EU of the dangers that are still present in Bosnia, and we hope that both the US and the EU will act to address them.

The European elections showed a rejection of socialist parties, policies and Governments across Europe, but in Britain the people's rejection of the Labour party was particularly decisive. The Labour party did worse than its socialist brethren in France or Spain. It got just over half the number of MEPs that the Italian socialists returned and a similar result compared with the German SPD, despite that party's having its worst election result since the second world war. In the new European Parliament, the British Labour delegation will rank as only the sixth largest party in the Socialist group, only just ahead of the Romanian socialists, who have 10 seats.

The decisive rejection of socialism in Europe flies in the face of those in Britain who seek to use the financial crisis to justify a re-emergence of big government. Nor was the result in Britain simply a protest against a weak and unpopular Government, weak and unpopular though they undoubtedly are. In France and Germany, centre-right Governments managed to increase their votes, despite serving as incumbent Governments during a period of recession.

Mike Gapes *rose—*

Mr. Francois: I do not want the Chairman of the Foreign Affairs Committee to spoil my flow, but I will of course give way to him in a moment.

The result in Britain was astonishingly bad for Labour. It was pointed out earlier that the Labour party did not compromise with the electorate; in return, the electorate certainly did not compromise with the Labour party. For instance, Labour came second in Wales for the first time since 1918. One startling fact is that in the Rhondda valley, Labour got only a third of the vote, down from 68 per cent. at the last election—and on that point, I give way to the Chairman of the Foreign Affairs Committee.

Mike Gapes: The hon. Gentleman mentioned the good results for the conservative parties in France and Germany. Given that he is using that argument to make his case, why is his party rejecting those parties?

Mr. Francois: We are not rejecting them—*[Interruption.]* We are not; I shall answer the question directly. Some months ago—over a year ago, I think—we established working groups between our party and the German CDU-CSU that have looked in detail at issues such as

the environment, maintaining European competitiveness, and combating terrorism. More recently, we have established a similar system of working groups with the French UMP. That does not sound like rejection to me.

Let me turn to our new grouping in the European Parliament. One of the results of the European elections is that a reinvigorated Conservative delegation of MEPs is determined to put the case, which we believe is shared by a majority of the British people—and we did win the European elections—for a flexible, open and free-trading European Union. In order to do this, the Conservative delegation will, along with the ODS party in the Czech Republic and the Law and Justice party in Poland, form a new centre-right grouping to campaign for a new type of Europe. That work is ongoing, but we aim to announce the membership of the group well before the delegations are legally constituted on 14 July.

Given that the Liberal spokesman attacked our policy on that, it is interesting to look at some of the Liberals' allies in the ALDE—Alliance of Liberals and Democrats for Europe—grouping in the European Parliament. Is he, for instance, proud of the fact that his party was allied with the Swedish party, Feminist Initiative, whose policies include the abolition of marriage because it regards that as detrimental to women, and special additional taxation on men, simply because they are men? Is he proud of that? I should advise him to declare an interest before he answers the question. Is he not going to answer? In that case, I will press on.

My next subject is the Government's lack of interest in Europe. They now seek to forget about the European elections, but they seemed to forget about Europe itself some time ago. One of the details to emerge from the Government's chaos last week is that the former Minister for Europe said:

"I am not willing to attend Cabinet in a peripheral capacity any longer."

As my right hon. Friend the Member for Richmond, Yorks, reminded the House, the right hon. Member for Don Valley (Caroline Flint) told Radio 4's "Woman's Hour" that she had not had a single conversation with the Prime Minister about European policy in her year as Europe Minister.

We therefore have the truth of the Prime Minister's vision for Europe in his Cabinet. It is, in one word, peripheral. Despite the Government's appointing 11 Europe Ministers since 1997, including the previous Minister, who remarkably admitted that she had never even bothered to read the Lisbon treaty, we now have no Minister for Europe in the House of Commons—a Minister for Europe who also does not attend the Cabinet as of right.

For a while, it even looked as though we were to have no Minister for Europe at all. Due to the shambolic nature of the Government's reshuffle, nobody had bothered to double-check whether Lady Kinnock was able to be a Member of the European Parliament and a Minister in this Parliament at the same time. Perhaps when the Under-Secretary winds up the debate, he will confirm whether Lady Kinnock is now formally a Minister of the Crown, and when she will formally take up her duties in the House of Lords. Parliament deserves a clear answer on that matter.

So much for this Government's commitment to Europe. We now know from a Labour former Europe Minister that it has always been of peripheral interest to this Prime Minister, and indeed to his Cabinet.

Mr. Davidson: Will the hon. Gentleman give way?

Mr. Francois: I give way to the hon. Gentleman, who said clearly that Labour refused to compromise with the electorate over Europe.

Mr. Davidson: The hon. Gentleman indicated that he was in favour of clear answers. May I seek a clear answer from him about whether the Conservatives can be trusted on Europe? In the event that there is a Conservative Government, if the Lisbon treaty has been ratified by the 27 member states, will they hold a referendum—yes or no? People who voted for the UK Independence party and a number of other parties will want to know that before the general election. Yes or no—will there be a referendum?

Mr. Francois: My right hon. Friend the Member for Richmond, Yorks, was asked almost exactly the same question at the start of the debate, and he said that we had not ruled that in or out. I know that the hon. Gentleman is a patient man, and he will have to be patient yet.

I wish to press the Minister on the working time directive before I conclude. The directive, from which Britain has an opt-out, could affect 3 million people in this country, not least all those who work in the national health service. The opt-out is often referred to as the UK opt-out, despite the fact that some 15 countries around the EU now utilise it. In the crunch vote in the European Parliament in the run-up to Christmas, the majority of Labour MEPs voted to abolish the UK opt-out, even though their own Government ordered them to do differently. They were led in that rebellion by their then Chief Whip, Glenys Willmott, who now leads the Labour MEPs in the European Parliament.

Can the Minister assure us that if the matter is returned to in the new European Parliament, all Labour's MEPs will vote to defend the UK opt-out from the working time directive, so that people in this country can choose how many hours in the week they wish to work and not have that dictated to them? Conservative MEPs, led on that issue by Philip Bushill-Matthews, to whom I pay tribute for his work, valiantly defended that opt-out. I should like to know that Labour MEPs would do the same.

Ms Gisela Stuart: Will the hon. Gentleman give way?

Mr. Francois: No, I do not have time.

The Prime Minister will go to the European Council, where he will have difficult discussions about financial proposals that could adversely affect the City of London, and in respect of which Britain does not appear to have been very proactive in defending the British interest. We are very concerned about those proposals and should like to know what the Government intend to do about them.

At that summit, the Prime Minister will probably also collude in an attempt to provide so-called guarantees so that the Irish people may be persuaded to vote twice in a referendum, whereas the people of this country have not even been allowed to vote once. We do not believe that that is a robust defence of the British interest. In fact, we believe that it is contrary to it.

[Mr. Francois]

Labour claims to be at the heart of Europe, but it is precisely the opposite. Its Cabinet rarely debates it, and its Europe Minister is richly ignored by the Prime Minister. Now it is still seeking to deny the people a referendum on a treaty that materially affects their future. We say, "Bring on the general election." We say, "Let this argument be put", and we say, "Let the people decide."

9.44 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Chris Bryant): It is a great delight to follow the hon. Member for Rayleigh (Mr. Francois). I gather that he particularly enjoys a few Pot Noodles and, indeed, Peperami from time to time. I think that *The Daily Telegraph* described him as a bit of an animal. I look forward to wrestling with him on European issues in the coming months.

Mr. Francois: I assure the Under-Secretary that I look forward to vigorous debate with him, but there will be no wrestling.

Chris Bryant: As much as the hon. Gentleman entices me, and as much as he and I can disagree about European matters, I hope, none the less, that we can work together on some matters in the national interest.

The right hon. Member for Richmond, Yorks (Mr. Hague), whom I have known for a long time, since we were at university together, referred to my right hon. Friend the Member for Don Valley (Caroline Flint). He was rather critical; he appeared to suggest that I would not provide the same degree of window dressing. I must tell him that some of my best friends are window dressers, however, and I am hopeful that he and I can work together.

We have heard some excellent speeches today. My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) said elsewhere a few days ago that she has been trying to give up such debates. For me, it is good to get back to them, having not been involved in them for a while. I see that the personnel has not changed at all.

There were interesting contributions from my hon. Friend the Member for Birmingham, Edgbaston, the hon. Member for Kingston and Surbiton (Mr. Davey), who speaks for the Liberal Democrats, my hon. Friend the Member for West Bromwich, West (Mr. Bailey), the right hon. Member for Wells (Mr. Heathcoat-Amory), my hon. Friend the Member for Ilford, South (Mike Gapes), the hon. Members for Spelthorne (Mr. Wilshire) and for North Dorset (Mr. Walter), who both spoke about similar issues, my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), whom I beat in the swimming competition again this year, my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) and, of course, the hon. Member for Stone (Mr. Cash), who is not in his place. I am sorry: he is just returning—he was hiding behind the Speaker's Chair.

Interesting contributions were also made by my hon. Friend the Member for Great Grimsby (Mr. Mitchell), the hon. Member for Bournemouth, East (Mr. Ellwood), my hon. Friends the Members for Luton, North (Kelvin Hopkins) and for Stroud (Mr. Drew), and the hon. Member for Isle of Wight (Mr. Turner). As the hon. Member for Rayleigh said, we all welcome the hon. Member for Isle of Wight back to the House.

Many hon. Members raised important matters about the economy. Conservative Members suggested that three things needed to be said about it. First, they claimed that the UK is a hermetically sealed unit, like every other country in Europe, and that the economic crisis in the international arena was a crisis made in the UK. Secondly, they tried to argue that the UK has bigger problems than anywhere else in Europe. Thirdly, they said that answers to the economic problems can be found only individually, country by country.

However, several Labour Members pointed out that the truth is different. We heard that many countries in Europe have suffered to a similar extent and in similar style. Indeed, the UK economy contracted by 1.9 per cent. in GDP terms in the first quarter of 2009—a considerably smaller decline than in Germany, Italy, the eurozone and the whole of the European Union. My hon. Friend the Member for Luton, North made that point.

I also point Conservative Members to some recent quotes about the UK economy. Last week, Paul Krugman, the Nobel-prize-winning economist, described the UK economy as looking

"the best in Europe at the moment."

He said that the UK's policies had been "intelligent" and

"managed to stabilise the banking system".

The International Monetary Fund article IV consultation released on 29 May concluded that the UK policy response to the worldwide crisis had been "bold and wide ranging", and that

"The aggressive actions by the authorities have been successful in containing the crisis and averting a systematic breakdown."

Kelvin Hopkins: We would not have been able to do that inside the eurozone.

Chris Bryant: I was going to make the further point that not only actions in this country are necessary if we are to effect a significant change in the economic possibilities for this country.

At the December European Council, all 27 member states signed the European economic recovery plan, committing to providing a fiscal stimulus worth €200 billion. In fact, that has been more than met, with a current fiscal effort worth more than €400 billion, which represents 3.3 per cent. of the EU's GDP. That rather puts paid to the argument that some Conservative Members were making.

The hon. Member for Kingston and Surbiton then argued, "All right, that's fine, but what are we going to do to move forward the single market?" He is absolutely right. I am sure that he will be aware that last week the Department for Business, Innovation and Skills published a major policy document setting out the agenda for the Commission and advocating single market advances in digital telecommunications—we heard some of what we want to do in this country from the Secretary of State for Culture, Media and Sport today—in life sciences, particularly biotechnology and pharmaceuticals, which are two industries in which the UK leads, and in services in general. We will certainly be lobbying the next Commission to take forward that agenda.

Several hon. Members raised issues in relation to the financial supervision proposals that have come forward. First, the right hon. Member for Richmond, Yorks agreed that the European systemic risk board was necessary. He will know that it was agreed at the ECOFIN meeting on 9 June that its president should not automatically be the chairman of the European Central Bank, but should be voted for by all 27 national central banks. We wholeheartedly agree with that, which is something that several hon. Members raised, including my hon. Friend the Member for West Bromwich, West.

Mr. Cash: Will the hon. Gentleman give way?

Chris Bryant: If the hon. Gentleman does not mind, I have so many issues to reply to, and I was rather snootily—

Mr. Cash *rose—*

Mr. Deputy Speaker: Order. The hon. Gentleman is clearly not giving way.

Chris Bryant: On micro-prudential regulation, we believe it is important that no decisions taken by the new bodies should impinge on the fiscal responsibilities of the member states, which are obviously key responsibilities that should reside with them.

On hedge funds, or the alternative investment vehicles directive, which the right hon. Member for Richmond, Yorks mentioned, he should know—indeed, I am sure that he does know—that this is not one of the matters to be discussed now. Rather, proper details will come forward under the Swedish presidency. He is absolutely right that it is vital that we get the detail right, but it would be wrong to move at a pace that would make it impossible for us to achieve that.

Let me move from the economy to the referendum in Ireland and the necessary legal guarantees that the Council said in its December meeting it was intent on ensuring could be given to Ireland. The necessary legal guarantees will be given on three points. First, nothing in the treaty of Lisbon makes changes of any kind for any member state to the extent or operation of the Union's competences in relation to taxation. Secondly, the treaty of Lisbon does not prejudice the security and defence policy of member states, including Ireland's traditional policy of neutrality and the obligations of most other member states. Thirdly, the provisions of the Irish constitution in relation to the right to life and to education and the family are in no way affected by either the fact that the treaty of Lisbon attributes legal status to the EU charter of fundamental rights or by the justice and home affairs provisions of the same treaty.

Hon. Members raised various foreign policy issues, to which I should like relatively briefly to respond. The shadow Foreign Secretary raised the matter of EU sanctions against Burma, whether they would be imposed properly and whether we would go further. The sanctions against Burma are already the EU's toughest autonomous measures against any country and were renewed for a further 12 months, until 2010, by member states in April. The UK continues to believe that further targeted financial sanctions would increase pressure on the regime. The EU common position allows for the revising or reinforcing of sanctions to be considered in response to actions by the regime. We are not aware of any instances of complaints about the operation of the sanctions, and we are keen to ensure full implementation, through the Treasury and the Department for Business, Innovation and Skills in this country.

The right hon. Gentleman also raised the issue of Serbia. The Government welcomed Serbia's signature of the stabilisation and association agreement with the European Union last year. The Government are keen that the ratification of the agreement should be conditional on Serbia's full co-operation with the International Criminal Tribunal for the Former Yugoslavia. In particular, it is obviously important that the outstanding suspected war criminals come to trial. We want to ensure that that happens. The Government would be content, on the basis of Serbia's significantly improved co-operation, for the EU now to implement Serbia's interim agreement with the EU.

The hon. Member for Rayleigh asked about Russia and Georgia. Obviously, there are significant issues relating to those countries that we want to pursue, but if he does not mind, I will write to him later to clarify the precise nature of the points that he raised.

Other hon. Members raised various issues, including the question of whether Mr. Barroso's appointment would be made legally binding. That can be done only when there has been a vote in the European Parliament; that is part of the process.

The hon. Member for Kingston and Surbiton mentioned the Lille loophole. That loophole has already been closed—

Mr. Davey *indicated dissent.*

Chris Bryant: Yes, it has. I travelled on the Eurostar from Paris last week, and I know that there are British border controls wherever people can get on a Eurostar train.

On climate financing, we need to press hard for a deal in Copenhagen in December to secure the 30 per cent. reduction in emissions by 2020 that I am sure the vast majority of hon. Members want to see. Several hon. Members on both sides of the House raised this issue, and I hope that they will be reassured to know that we will be pushing the Swedish presidency to ensure that we move forward on it. There can be few in the European Union who would doubt that we are the most rigorous of all the EU countries on this issue.

My hon. Friend the Member for Birmingham, Edgbaston raised the matter of the extra seat that we would get if the treaty of Lisbon were to be ratified by all member states. According to existing UK legislation, where that seat would go would be decided by the Electoral Commission, and we would obviously introduce any additional powers that it needed in that regard.

The hon. Members for Spelthorne and for North Dorset spoke powerfully about the Council of Europe, and there is not much that I can add to their comments.

However, we heard a great deal of nothing from the Conservatives about their policy on Europe. The most interesting thing of all was the charming image of the Billy-no-mates charabanc that has been touring Europe over the past couple of years. Billy got his knapsack on his back and a baseball cap on his head to protect himself from the sun. He abandoned all his influential

[Chris Bryant]

friends who were running Germany, France and Italy. He did not bother to go on the grand tour of the big cities—oh no! He travelled not the highways but the byways to find new friends. He did not go to France, Germany or Italy. He let on board his faithful charabanc only the

"fascists, outcasts and ne'er-do-wells".

Those are not my words; they are the words of Struan Stevenson, a Scottish Conservative Member of the European Parliament.

It is interesting that the Conservatives are not prepared to tell us which parties will be joining them on their joyful little day out. Will they include the Polish Law and Justice party? One of its members says that homosexuals should not be allowed to teach, while another says that the affirmation of homosexuality will lead to the downfall of civilisation. The right hon. Member for Richmond, Yorks and the hon. Member for Rayleigh are both sitting there smiling now, but I think that one of the reasons why they are happy to have that party alongside them is their own voting record on these matters. That applies especially to the hon. Member for Rayleigh, who has never in his life voted for a positive measure on homosexual equality in this country.

There was another party that the Conservatives wanted to get on board: Alternativa Española, the new, far-right party in Spain—*[Interruption.]* The hon. Member for Rayleigh is now saying, "Oh no we didn't", but his friend, the MEP Daniel Hannan, was certainly spending a good deal of time trying to persuade people to vote for Alternativa Espanola in Spain, even though it has several of Franco's original party members signed up to it. It also signed up to the Vienna declaration. No wonder the right hon. and learned Member for Rushcliffe (Mr. Clarke) thinks that this outing by the right hon. Members for Witney (Mr. Cameron) and for Richmond, Yorks is nothing more than "head-banging".

The other thing that I found a bit depressing was that we heard not Hague the wit, but Hague the vague this afternoon. Let us compare that with his great, statesmanlike pronouncement that

"we would not let matters rest there".—[*Official Report*, 12 November 2007; Vol. 467, c. 423.]

On 29 April, he said:

"We would not rule anything in or out".

We have heard that again and again this afternoon, although he could not say it with a straight face. He was smiling all the way. His great pronouncements, full of insight and clarity, also include:

"We will have among our major goals the return of social and employment legislation to national control".

That sounds like the renegotiation of a treaty, despite the fact that the shadow—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Statutory Redundancy Pay (Amendment) Bill (Money)

Queen's recommendation signified.

10 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): I beg to move,

That, for the purposes of any Act resulting from the Statutory Redundancy Pay (Amendment) Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money provided by Parliament.

This money resolution is required in respect of clause 1 of the Statutory Redundancy Pay (Amendment) Bill, promoted by my hon. Friend the Member for Chorley (Mr. Hoyle). The Bill received its Second Reading on Friday 13 March and is likely to commence its Committee stage on Wednesday 24 June. In accordance with convention and as part of the parliamentary process, any Bill likely to incur additional public expenditure requires a money resolution.

This Bill proposes linking statutory redundancy pay limits to the level of average earnings. Uprating the current limit of £350 to £450—the level of average earnings at the time of Second Reading in March—would cost the Exchequer a significant sum of money.

Mr. Jonathan Djanogly (Huntingdon) (Con): Did not the Minister say earlier this afternoon in Committee that the average is now closer to £470?

Ian Lucas: I do not believe so, but I will happily check the record and get back to the hon. Gentleman on the matter; I am grateful to him for highlighting it.

We estimate the cost to the Exchequer as somewhere between £44 million and £86 million a year, so the Bill clearly requires a money resolution. I should make it very clear that the tabling of the motion does not indicate any change in the Government's position on the Bill. Those who participated in the Second Reading debate on Friday 13 March will know that the Government's objections to the Bill as it stands were set out at some length.

I am pleased to be able to announce that earlier today Parliament recommended for approval secondary legislation to implement the £30 increase in the upper limit from £350 to £380. In the meantime, despite our continued opposition to the Bill as it stands, I am moving this motion in accordance with convention and parliamentary process. For those reasons, I commend the resolution to the House.

10.2 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): Let me make it plain that the reason why we oppose the Second Reading of this union-sponsored Bill, and the Government's haphazard attempt this afternoon to find a compromise, is that all those proposals, and the money resolution, will reduce access to employment opportunities at a time when the Government should be doing exactly the opposite—and, as I shall show, at a significant cost, not only to business but to the taxpayer.

Since 1999 the weekly limit for statutory redundancy and unfair dismissal payments has been increased in line with the retail prices index, rounded up to the nearest £10. In 1998 the sum was £220; in 2004 it went

up to £270; in 2007 it was raised to £310; in 2008 it was increased to £330; and on 1 February this year it went up to £350. The limit has already increased by 6 per cent. this year, and earlier today we debated in Committee the Government's plans to increase the weekly limit immediately by more than 8 per cent. to £380, at a time when we are experiencing negative RPI inflation. The Government also wish to bring the increase forward by five months, even though we have already had an inflation-busting increase this year.

Tonight we are debating the implications for the public finances of an increase from £350 to something in the region of, let us say, £470. Sadly, we seem to be entering some kind of tragic bidding war between the soft left on the one hand and the hard union left on the other. Redundancies are, of course, a last resort for employers, including for the largest employer—the state. Employers do not want to lose the investment they have made in their employees, and will try to retain their staff as long as possible. They will make people redundant only when they are forced to reduce their labour costs.

The Minister will realise that increasing the weekly limit on statutory redundancy pay, especially to the extremely high level suggested by the hon. Member for Chorley (Mr. Hoyle)—or rather, by the unions—would make redundancies far more expensive for employers, including the state. Employers, including the state, will now have to implement more redundancies to reduce their labour costs by the same amount as before. If the Bill is passed, the cost to employers could mean a rise in unemployment, resulting in a significant additional cost to the Exchequer in terms of payment of unemployment benefits and lost tax revenues.

The Department for Business, Innovation and Skills had its statutory instrument approved this afternoon. The impact assessment was based on an increase in the weekly limit on statutory redundancy pay from £350 to £380. The Government estimate that business would incur up to £121.2 million in extra costs. It is obvious that an increase from £350 to £470, as proposed by the Bill, would lead to significantly higher costs, and could have a devastating impact on many businesses across the country. Unemployment is increasing every week, and it is therefore likely that the cost to businesses would be greater than is suggested by any current estimates.

What is recognised in the motion, however, is that the Exchequer, too, will be faced with enormous costs if the Bill is passed. Again, all we have to refer to is the impact assessment based on an increase from £350 to £380. In the assessment, the Government estimate that that will cost the Exchequer up to £53.9 million. We have seen what an increase of 8 per cent. will cost the taxpayer. An increase of around 34 per cent., from £350 to £470, would cost the taxpayer considerably more. I calculate the amount to be in the region of £210 million, which strikes me as a conservative figure. I should be grateful if the Minister could explain the cost implications of the motion for the state.

Given the perilous position of the public finances, we know and the Minister knows—I think he more or less accepted it in his opening speech—that the country simply cannot afford this unnecessary measure. The Government—a Government on their last legs—are desperate to appease the trade unions that back them. That is what is so bizarre. I had thought that following this afternoon's concessions to the unions by the Government, the private Member's Bill would be withdrawn and there would be no need for the motion. That seems not to be the case, which shows just how feeble and unable to deliver the Government have become. They now need to focus on the reality of the situation, which is that they are imposing a large and unnecessary burden on both business and the taxpayer.

Conservative Members cannot support an arrangement that makes businesses, or the taxpayer, subject to such large and unnecessary additional burdens, especially during the almost unprecedented recession in which we find ourselves. I hope that the Minister will sort out this mess before the Bill returns to the House.

10.8 pm

Lorely Burt (Solihull) (LD): The Liberal Democrats consider this to be a not inappropriate increase in the maximum amount that a person could be allowed to claim in statutory redundancy pay. We understand that the future of the Bill is still in the balance. We shall wait to see what happens, but on the whole we think that the motion is worth supporting.

10.8 pm

Ian Lucas: I have had an opportunity to check my notes from earlier today, and the correct figure is indeed £470. I am grateful to the hon. Member for Huntingdon (Mr. Djanogly) for pointing that out, and I apologise to him and the House for inadvertently giving an incorrect figure. I am also grateful to the hon. Member for Solihull (Lorely Burt).

In his peroration, the hon. Member for Huntingdon rather misrepresented the Government's position. The Government do not accept the submissions from the trade unions, they do not accept the Bill presented by my hon. Friend the Member for Chorley (Mr. Hoyle), and they do not accept the figures given by the hon. Member for Huntingdon. Today the Government have proposed a measured, balanced, considered figure of £30 as an increase.

Mr. Djanogly: Will the Minister give way?

Ian Lucas: No.

Mr. Djanogly: Why not?

Ian Lucas: Because I am in the middle of a speech, and I choose not to give way.

I think that we—*[Interruption.]* Yes indeed, and we had a very good debate earlier today. We had an accurate exposition of the Conservatives' policy, and of their disregard for individuals who are made redundant. We heard from them their resistance to giving help to people who have lost their jobs. They have not only indicated in the Chamber that they oppose that, but they have voted against it. I will certainly be conveying to my constituents—including those who are losing their jobs—the fact that the Conservative party opposes giving constituents real help now.

Mr. Djanogly *rose—*

Ian Lucas: I shall give way to the hon. Gentleman now.

Mr. Djanogly: As we are talking about a money resolution, it is important for the Government to give some idea of the cost of the proposals to the Exchequer.

Ian Lucas: The Government are not supporting the Bill; we made our position very clear on Second Reading. The figures for the Government position were fully set out for the hon. Gentleman earlier this afternoon.

This is a measured, considered response from the Government and, unlike the position of the official Opposition, it offers a balanced approach. I therefore commend the money resolution to the House.

Question put and agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

COMPANIES

That the draft Companies Act 2006 (Accounts, Report and Audit) Regulations 2009, which were laid before this House on 5 May, be approved.—*(Ms Butler.)*

Question agreed to.

Armstrong Group Pension Fund

Motion made, and Question proposed, That this House do now adjourn.—*(Ms Butler.)*

10.11 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): I am grateful for this opportunity to plead for justice for the pensioners of the Armstrong group of companies, formerly Armstrong's of Beverley. I also pay tribute to my constituent, Sam Dunkerley, who has fought tirelessly for those, like him, who lost out when the Armstrong pension scheme collapsed. He is the spokesperson for the 110-strong Armstrong pensioners' society, which represents some 3,000 people who suffered a loss of income or future income when the Caparo group wound up the scheme in 2006.

Caparo is a British-based company founded by the Labour peer Lord Paul. According to its website, it is a fast-growing global manufacturing group with a turnover of €1 billion. It has business interests in the manufacture of steel and automotive and general engineering products and employs 8,000 people worldwide. It has more than 60 sites in the UK, north America, India, Poland and Spain. This year's rich list in *The Sunday Times* named Lord Paul as the 88th richest man in Britain, with a personal fortune of about £500 million. He has been a Labour party member since the 1970s and was ennobled at Tony Blair's instigation in 1996. He funded the Prime Minister's leadership campaign in 2007 and urged him to call a general election in the autumn of that year, promising to donate "whatever he could afford" to the party's campaign fund.

Caparo's empire is highly complex. It is a large conglomerate with many subsidiaries, all of which have supposedly separate financial interests. The ultimate holding company is incorporated in the British Virgin Islands. I will focus mainly on the activities of Caparo Automotive Ltd—CAL—and its subsidiaries Armstrong Fastenings, Willenhall Manufacturing and Armstrong Equipment. It was those plants that were covered by the Armstrong Group scheme.

In 1989, the Caparo Group acquired the assets and capital of Armstrong Engineering and secured them under a subsidiary named Caparo Automotive. Armstrong was cash-rich and the accompanying pension fund was more than 30 per cent. in surplus. For the next eight years, the Caparo Group made no contributions to the Armstrong pension fund. That pension holiday cost the fund £8 million. During the same period, the pension fund paid out £6 million for early retirement and redundancy programmes. As a result, the pension fund was reduced by a total of £14 million.

In March 2000, the fund's liabilities exceeded its assets by £8 million. At about the same time, a triennial actuarial valuation was carried out, which recommended that the company inject some £2 million annually into the scheme over a five-year period to cover the shortfall. That was accepted by both the company's management and the trustees of the pension scheme. However, Caparo did not make the first instalment and, in April 2002, it announced the freezing of its final salary pension scheme. That followed its decision to close the scheme to new employees in 2000.

Stakeholders who had yet to draw a pension from the scheme—some 1,200 people—would in future not receive an income based on their years of service and final

salary; instead, it would be based on what was left in the fund after the entitlements of existing pensioners had been secured. The 1,800 pensioners who were already in receipt of their pension, such as Mr. Dunkerley, had their annual increase immediately stopped. Workers were notified of the change in a memo circulated by Caparo's chief executive, Lord Paul's son, Angad. He said:

"As a result of the winding up, the pension benefits of current Automotive Group employees on retirement are likely to be significantly less than they may have expected."

The decision was a hammer blow to the scheme's 3,000 members. Bryan Tipton, who worked as an assembly worker at Willenhall for more than 47 years, told the *This is London* newspaper that after contributing to the scheme for 22 years he was expecting some £3,782 a year plus a tax-free lump sum. Instead, after the winding up of the scheme he could look forward to just £2,983 a year—£57 per week—and no lump sum.

The winding-up decision was criticised heavily at the time. Ros Altmann, an independent pensions adviser who worked closely with No. 10 Downing street, said:

"It seems unfair and unjust that a company as strong and as big as Caparo can wind up a pension scheme without being held accountable for its actions."

Mr. Greg Knight (East Yorkshire) (Con): Is my hon. Friend aware that some of my constituents, like his, are affected by this situation and that many of these pensioners who are now on modest incomes feel cheated by these decisions?

Mr. Stuart: My right hon. Friend is absolutely right, and what he says goes to the heart of what I am seeking to raise this evening.

Ros Altmann continued:

"At the time of a wind-up, a solvent company, which Caparo is, should be required to make up in full the pensions it has promised its members, whether they have retired or not."

Discussions between the company and the trustees continued for several years after the initial pension wind-up decision was made but while the company continued to trade. The debt owed on the scheme was estimated at £36 million and in May 2005 Caparo Automotive offered to pay for a portion of that, over a number of years. That was rejected by the trustees because they had been independently advised that the company was unlikely to be able to make those payments.

In February 2006, the Caparo Group made a final offer to the trustees of just £3.2 million—that is less than 10 per cent. of the debt—based on its calculation of the amount the trustees would hope to receive under the Government's financial assistance scheme. Again the trustees rejected the company's offer. Steve Barmont of Law Debenture, who sat on the trustee board, said:

"Accepting this offer would have resulted in the scheme being ineligible for the Government's Financial Assistance Scheme. The trustee was also advised that the offer would not materially improve the position of scheme members. The trustees were led to believe that a revised offer would be received by March 1. This was deferred and then never materialised, and the next we heard was that they had called in the receivers."

Having failed to buy off the pension trustees with 10p in the pound, Lord Paul's group called in the receivers in March 2006. Outrageously, it made every attempt to blame the situation on both the trustees and the Government's financial assistance scheme. Angad Paul said in a statement:

"This is a bizarre world when a pension fund can only access government subsidy by closing down a successful firm and damaging its suppliers. The situation we are in is ridiculous and frustrating. The FAS was to be available to schemes where companies were already insolvent, not as a reason to push companies into bankruptcy to gain the FAS benefit."

The trustees hit back, saying that they were

"disappointed that there was no greater offer of support from elsewhere in the substantial Caparo Group."

That is the crux of the case against the Caparo Group; in 2005, it had a turnover of more than £600 million, compared with Armstrong's £33 million. The Armstrong pension deficit was £36 million thanks to Caparo's mismanagement. Caparo could have, and should have, stepped in to save the company and the pension scheme from collapse.

Worse was to come, however. By pushing Caparo Automotive into receivership, Caparo was absolved from paying off the debt and instead the burden fell on to the state. Shortly afterwards, the Caparo Group bought back the assets and businesses of the Armstrong Group, but—conveniently—without the huge pension liability. That was a cynical act in the extreme, by people who were more interested in profit than morality. When the pension scheme was wound up in 2002, and the trustee issued a debt to Caparo of £36 million, it was told that Caparo Automotive was a stand-alone company whose accounts and pension scheme were ring-fenced away from the main group. Then, when the receivers were brought in and the pension deficit was taken out of its hands, the group ruthlessly bought back the same businesses.

Some 3,000 people who were members of the Armstrong pension scheme have lost out because of the actions of the Caparo Group, some significantly so. The Minister will know that, for existing workers, the financial assistance scheme covers only those people above or within three years of a company's normal retirement age. For pensioners who had already retired, their annual increases came to a sudden stop. Mr. Dunkerley e-mailed me this morning to say that

"since 2002 we have had no increases to our pensions which means that our income is now more than 28 per cent. lower than it would have been".

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Would I be right to say that Lord Paul still takes the Labour whip in the other place and still professes to be a socialist, despite the facts that my hon. Friend is recounting tonight—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I have been listening carefully to what the hon. Member for Beverley and Holderness (Mr. Stuart) has been saying, and we have now had the intervention from the hon. Member for Scarborough and Whitby (Mr. Goodwill). It is undesirable for the name of a member of the other place to be mentioned in a debate of this kind in personally critical terms. I have been hoping that a clear distinction was being made, but the frequent mention of the name has given me concern. Reference may be made in relation to acts in another capacity, but reflections on conduct should be the subject of a substantive motion.

Mr. Stuart: Thank you, Mr. Deputy Speaker. The facts of the case are clear.

We all know that the days of the final salary pension scheme are almost numbered, thanks to the actions of the Prime Minister in taxing pensions, coupled with the performance of the equity markets. So many schemes have been closed, and the combined pension deficit of the FTSE 100 is estimated to be at least £50 billion. However, Ministers have repeatedly said that wealthy companies should not drop inconvenient pension deficits in subsidiaries.

In 2005, the Home Secretary, then the Secretary of State for Work and Pensions, said that

"the Government strongly believes that solvent employers have a duty to support their pension schemes."

Two years later, one of his successors, the right hon. Member for Stalybridge and Hyde (James Purnell) said:

"Ongoing solvent employers have a clear moral duty to support their pension schemes and to provide the benefits that members were expecting. The taxpayer should not be expected to step in and make up such shortfalls in scheme funding levels where there is a sponsoring solvent employer."—[*Official Report*, 4 June 2007; Vol. 461, c. 10.]

Moreover, the 2004 Pensions Act made it clear that member companies of a group should not be able to avoid their pension debts by declaring themselves insolvent if the asset value of the group to which they belonged was sourced sufficiently to meet the debt.

Those are the arguments that have been made by the trustees. In 2006, they made representations to the pensions regulator asking it to issue a financial support direction to the Caparo Group to pay £36 million into the pension scheme. The trustees requested that the regulator make use of its "moral hazard" powers, which were granted under the Pensions Act 2004 to

"prevent companies and individuals from avoiding their obligations under defined benefit pension schemes and, most importantly, to prevent them from avoiding pension debt."

Unfortunately, the pension regulator was less than helpful, and refused to exercise those powers. Not only that, but the pension regulator stated that it was unable to reveal the reasons for its decision not to exercise its contribution notice or financial support direction powers. However, in a letter to Mr. Dunkerley, it revealed that

"in this case, exceptionally, it would approach the trustee and target company and ask for their consent"

to disclose this information. The trustees immediately agreed to that, but the Caparo Group refused. The pensions regulator stated in its letter that

"we understand this was on the basis that disclosure would involve revealing commercially sensitive information, which those entities would prefer to make confidential. As a result, we are prevented from disclosing this information to you."

This is a shameful state of affairs. The pensions regulator has rejected the trustees' request that it use its moral hazard powers to seek justice for the pension scheme members and yet it is unable to explain to those members why they have lost out and why it will not do what Ministers have repeatedly said that it should do to ensure that those with resources make up any losses from pension funds associated with them.

May I finish by asking the Minister a few questions? Will she meet me and representatives from the Armstrong pensioners society to discuss the issue in more detail? Will she seek a meeting with Lord Paul to tell him the plight of the Armstrong pensioners and ask him to make good the losses for which his family firms bear responsibility?

Would it not be extraordinary if a company such as Caparo, which has treated its pensioners in this manner, continued to receive Government contracts? Will the Minister assure me that Caparo is not receiving and will not receive any benefit from UK taxpayers? Will she explain why, or how, the regulator could fail to use the Pensions Act 2004 to demand rectification of this gross injustice? Will she tell me that the peculiar and sinister refusal of the regulator to enforce Caparo's moral responsibility was in no way influenced by Lord Paul's privileged position at the heart of the new Labour establishment? Will she explain how it can be right that the regulators reasoning cannot be made public because of the refusal of the guilty companies concerned to allow that information's release?

The plight of Armstrong's pensioners and the brazen refusal of one of Britain's wealthiest families to do the right thing by them stinks to high heaven, but may I appeal to the Minister, whatever her ties of loyalty to her party and its dwindling band of donors, to put justice for the many before protection for the few?

10.27 pm

The Minister of State, Department for Work and Pensions (Angela Eagle): I am sorry that the hon. Member for Beverley and Holderness (Mr. Stuart) chose to make such partisan points; I do not think that they helped this debate. I congratulate him, though, on securing it and I am pleased to have the opportunity to discuss the important matters that it raises.

The protection of pension scheme members' benefits is an important area of public policy for the Government, which is why we established both the Pension Protection Fund and the financial assistance scheme. Those bodies, along with the Pensions Regulator, are delivering better protection for scheme members. We will ensure that the regulatory framework remains appropriate and that the important compensation arrangements that we put in place work as effectively as possible.

People who contribute to a company pension scheme can reasonably expect to receive their pension benefits. There can be few greater cruelties than to find that those benefits, and the retirement they were expected to fund, have been put in jeopardy because an employer has gone bust, in whatever circumstances. Through the Pensions Act 2004, the Government introduced a wide programme of new pension protection measures including the creation of the financial assistance scheme. That was a vital measure to support thousands of workers who would otherwise have lost out through no fault of their own. The scheme did not exist prior to 1997.

The scheme provided assistance to those who lost significant amounts when their pension schemes started winding up between 1 January 1997 and 5 April 2005 as a result of the sponsoring employer becoming insolvent. We have since introduced new reforms to the financial assistance scheme. On 17 December 2007, the Government announced a package to deliver 90 per cent. of the expected pension to about 140,000 people subject to a cap of £26,000, the value of which will be protected. That proportion of assistance derived from post-1997 service and will be increased in line with inflation,

which is subject to a 2.5 per cent. limit, and assistance will be paid from the scheme's normal retirement age subject to a lower age limit of 60. The Government have already implemented key changes to give priority to those elements that offered the most help to FAS members. For example, we have introduced an increase in assistance from 80 to 90 per cent. of a member's accrued pension, payable from the member's normal retirement age but subject to a lower age limit of 60 and an upper limit of 65. We have also enabled those who are unable to work due to ill health to apply for access to the scheme up to five years before their normal retirement age, subject to actuarial reduction.

The hon. Member for Beverley and Holderness rightly went through the history of the Armstrong Group pension scheme. It began to wind up in April 2002, and so is eligible under the FAS. It has 2,984 members, made up of 1,096 deferred pensioners and 1,888 actual pensioners. The scheme's assets at 31 March 2005 were £55 million and its section 75 debt, which the hon. Gentleman mentioned, was £36 million. That is the additional amount required to secure full benefits through an insured buy-out. So far, 242 pensioner members of the Armstrong scheme have received £888,583.11 gross from the FAS—money that they would not have received without the reforms that the Government have put in place.

The hon. Member for Beverley and Holderness raised a number of issues about the involvement of the pensions regulator with the Armstrong Group pension fund. He was interested specifically in the transparency of the regulator's decisions relating to the use of its anti-avoidance powers, and I shall address the matters that he raised.

The pensions regulator was established under the Pensions Act 2004 as an independent risk-based regulator charged with protecting pension scheme members' benefits and the Pension Protection Fund. It started operations in April 2005. The 2004 Act broke new ground by giving the regulator statutory objectives—for example, to protect member benefits and the PPF—and Parliament gave it a range of new powers to address risks to members' benefits and the authority, as an independent regulator, to determine when it was appropriate to exercise them.

The 2004 Act contained a number of new measures to address the avoidance that the hon. Gentleman has alleged took place. Avoidance is the risk that sponsor employers deliberately manipulate their affairs so as to shift their pension scheme deficits on to the PPF. That would put the PPF at risk, and have a cost consequence for responsible employers who were required to pay the risk-based levy.

The two main anti-avoidance powers available to the regulator are contributions notices and financial support directions. Contributions notices allow the regulator to require a company or person involved in a deliberate act to avoid pension liabilities to put money into the scheme. Financial support directions enable the regulator to direct that associated or connected persons put in place arrangements to guarantee the pension liabilities of an employer that is insufficiently resourced to do so itself, or which is defined as a "service company".

In light of the regulator's operational experience and developments in the pensions market, the Government made amendments to the regulator's anti-avoidance powers in the Pensions Act 2008 to deal with new risks that had emerged. The changes provide the regulator with an additional power to issue a contribution notice where an act or failure to act would have a materially detrimental effect on the likelihood of members' benefits being paid. The new provisions build on the regulator's original powers to issue a contribution notice, in which the regulator has to show that the main purpose of the act or failure to act was to avoid the debt to the pension scheme.

The hon. Gentleman was critical of the pensions regulator, but I hope to reassure him that the decision was taken appropriately. In December 1989, the Caparo Group acquired Armstrong Equipment Ltd which, as he said, was a west midlands-based producer of wire thread, brass inserts and tooling systems. Two years later, Caparo went private, buying back the remainder of the company's listed shares.

In March 2006, Caparo put Armstrong Equipment Ltd into receivership. The Armstrong pension scheme trustees asked the regulator to investigate following the buy-back of the employers' business by a connected Caparo company as part of the administration process. Following a thorough investigation, the regulator concluded that there were no reasonable grounds for use of its anti-avoidance powers—that is, for issuing either a contribution notice or a financial support direction. The regulator then communicated its decisions to the trustees.

It is important to note that the regulator's decisions to use its powers turn on several important factors. As a result of both domestic and EU law, the regulator's status as a public authority places demanding standards on its decision making. In broad terms, a public authority would be acting unreasonably if it took account of factors that were not relevant, or failed to take account of relevant factors. The regulator's powers involve specific legal tests, and there are certain factors to which it should have regard. That can include the degree of involvement that the person had in an act, and the value of any benefits derived. In June 2007, the Department for Work and Pensions received correspondence from legal representatives acting for the trustees. It stated, in effect, that they were considering a judicial review of the regulator on the basis that its decisions not to intervene were flawed. That is essentially the case that the hon. Gentleman has made tonight.

Mr. Graham Stuart: I believe that the trustee concerned is the largest professional trustee in the country, and it could not make sense of the regulator's decision. It seemed completely flawed to that trustee.

Angela Eagle: Yes, that was the trustee's initial thought, but as I have said, the regulator was set up as an independent body, and that means that it is independent from Government. That independence ensures that its decisions in any particular case are not influenced by Ministers. It is not appropriate for Ministers to discuss the details of the regulator's investigation in a particular case, or specific details relating to the regulator's decisions. However, it is relevant to note that once the trustees had had further discussions with the regulator, they decided not to pursue the matter further. That is, they were satisfied that the regulator had properly considered whether to issue a contribution notice or financial support direction. *[Interruption.]* They did not seek a judicial review; they decided not to do so after they met representatives from the pensions regulator.

[Angela Eagle]

The hon. Gentleman made a number of points about the transparency of the regulator's decisions. The regulator, and anyone receiving information from it, is bound by restricted information provisions under the Pensions Act 2004. Broadly, they provide that the regulator cannot disclose information that it receives relating to the business or affairs of any person. That is done to ensure that commercial or personal information that is usually of a sensitive nature is appropriately protected, and that the provision of such information, on which regulator investigations rely, is not discouraged through fear of disclosure. Those who provide information to assist regulator investigations must be able to trust that their confidences will be respected. Much of the information that the regulator receives in the course of an investigation is restricted in such a way for those reasons. I understand that a good deal of information was shared by consent between the parties and the regulator, so that a full debate of the issues could take place. As the members are legally distinct from the trustee, however, the regulator was unable to share its information directly with them.

Mr. Stuart: Will the Minister agree to meet me and representatives of the members, who would be grateful for the opportunity to speak to the Minister in more detail?

Angela Eagle: I am happy to meet them, but I have to say that the decision is a matter for the regulator. Parliament has ruled that Ministers cannot interfere in such decisions. In those circumstances, if the hon. Gentleman wishes to discuss such issues, I would have thought it more important that he meets the regulator than me, the Minister. Parliament has decided that I cannot have a direct effect on the decisions that an independent regulator takes, as the House put in place powers to make the regulatory process independent of Ministers. It would perhaps be more productive if the hon. Gentleman pursued his worries directly with the regulator.

The trustees essentially represent members' interests and usually provide an interface with the regulator. I understand that the regulator has throughout encouraged the trustees to engage in dialogue with members to address their queries.

The hon. Gentleman did not mention it, but I know that he has referred the case to the parliamentary ombudsman. Again, the matter is one for the independent parliamentary ombudsman to look at. I am aware that the regulator is co-operating with the ombudsman's investigation, and I look forward to the outcome of the investigation in due course.

I have every sympathy for former employees of the Armstrong Group. To lose one's job and to be uncertain about the future of one's pension is distressing and causes great worry to many people. The Pensions Act that the House passed in 2004 was designed to tackle these problems, with a more powerful, proactive pensions regulator and real help for members of pension schemes through the financial assistance scheme and the Pension Protection Fund, which did not exist before the legislation was passed. This cannot put everything right when pension schemes are wound up, but it ensures far greater levels of protection than ever existed when the previous Government were in power. I make that point as the hon. Gentleman has chosen—

10.41 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Wednesday 17 June 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Automotive Industry

1. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What recent discussions he has had with representatives of the car manufacturing and trading sectors in Scotland on Government support for the industry. [279144]

The Secretary of State for Scotland (Mr. Jim Murphy): Mr. Speaker, good morning, and thank you for all the guidance that you have given me and so many others in all parts of the House over the years.

I have met Scottish manufacturers, including representatives from the car industry, to discuss the car scrappage scheme. I have also met people from Scottish companies that work in climate change technologies, which are, of course, an enormous growth area in Scotland.

Jim Sheridan: I share the comments made by the Secretary of State for Scotland on how welcome you have been, Mr. Speaker, to us on the Labour Benches.

I thank the Secretary of State for his answer. The car scrappage scheme is helping manufacturing and UK consumers. However, there remains genuine concern among car retailers, such as John McGuire in my constituency, about the Treasury's recent decision on the vehicle excise duty refund. Will the Secretary of State make representations to the Treasury to get that decision overturned?

Mr. Murphy: My hon. Friend has raised that matter with the Treasury on a number of occasions. The gentleman whom he mentions, Mr. McGuire at Phoenix Honda, operates a company in his constituency but is a constituent of mine, so he has also come to my surgeries. Mr. McGuire raises important points on behalf of his company and many others across Scotland. I know that my hon. Friend will continue to raise the matter with the Treasury. If there is anything that I can do to assist in that, I will of course be happy to do it.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): The Secretary of State mentioned that he has had meetings with people in the renewable energy sector. What conversations has he had with his colleague, the Chancellor of the Exchequer, on securing some of the £400 million that has been announced for that sector? Has the Secretary of State given particular thought to how the money might be used for marine renewable energy in the Pentland firth?

Mr. Murphy: The hon. Gentleman has raised that important issue with me in the past, and I look forward to visiting his constituency in the parliamentary recess to discuss the points that he raises about the Pentland firth. I have spoken to the Chancellor of the Exchequer about the issues. The hon. Gentleman will be pleased to know that about a third of the £750 million strategic investment fund established by the Government is to be earmarked for low-carbon investment. We now have to see what opportunities for the type of marine technology that he mentions are provided by that fund, the additional sources of Government support and the private sector. There is an enormous opportunity for a green industrial revolution in Scotland and beyond.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): Thank you very much, Mr. Speaker, for all your kindness during the years in which you have been in the Chair.

I may have to declare an interest, as I have a car that is more than 10 years old, and the Donohoe household is looking for a new one. May I ask my right hon. Friend the Secretary of State to give me some indication of the number of applications made under the scrappage scheme?

Mr. Murphy: There is certainly great evidence to be had from car dealers across Scotland. When I visited Arnold Clark in Stirling, along with my right hon. Friend the Member for Stirling (Mrs. McGuire), people there were saying how popular the scheme was. The Government are working to provide specific figures shortly, but Douglas Robertson, the chief executive of the Scottish Motor Trade Association, has said:

"The arrival of the government backed scrappage scheme has without doubt affected Scotland's figures. Traditionally Scotland has always had, on average, the oldest cars in the UK, so it is to be expected that we should show the most benefit from the scheme."

That is the intention behind the scheme; it is a kick-start for the motor industry, and it is supportive of the environmental industries as well.

Sir Nicholas Winterton (Macclesfield) (Con): The Secretary of State will know that manufacturing industry, including the car industry, is vital to the recovery of not only the Scottish but the United Kingdom, economy. Is he confident that the Government are not loading additional burdens on manufacturing and industry, at a time when competitiveness is very important? Secondly, does he believe that the banking system, which has benefited from huge taxpayer largesse, is playing its role in ensuring the success and survival of manufacturing industry?

Mr. Murphy: The hon. Gentleman raises a serious point. The car industry is of strategic importance across the UK. There are about half a million people employed in the motor retail sector across the UK, so there is a challenge not just in Scotland, but throughout the

United Kingdom. We always have to bear in mind the balance of regulation and bureaucracy in the private sector, as well as in the public sector, and the need to do so is particularly acute at a time of economic difficulty. Along with the rest of the Government, we are seized of the need to ensure that, where possible, regulation has as light a touch as possible on the motor industry and others, particularly at this difficult time.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Contrary to the Government's spin on the car scrappage scheme, the Society of Motor Manufacturers and Traders has said that new car registrations in May fell at an annual rate of 25 per cent.—almost no change from the previous month. This month Ministers had to concede that four months after Lord Mandelson launched his £2.3 billion automotive assistance programme not a single penny from the scheme has been received by struggling firms. On a day when it is revealed that the number of people claiming jobseeker's allowance in Scotland has doubled in one year alone, is it not about time that the Government matched their words with actions and offered real help to hard-working families across the country, rather than just headlines and spin?

Mr. Murphy: There we have it: the authentic voice of the Scottish Conservative party, via Lancaster. The hon. Gentleman neither understands nor has any real sympathy for the people of Scotland. Of course there are real difficulties in the Scottish and UK economy, but he should stop playing politics and remember that when the Conservatives were in power their message was "Get on your bike and search for work" and that unemployment was a price worth paying. We will do everything we can to help Scotland through the current recession. We have looked at the lessons of the recession of the 1980s, when communities were destroyed and families were scourged by unemployment across the generations, and we are determined that there will not be a generational consequence of this recession in Scotland.

Public Expenditure

2. **Mr. Peter Bone** (Wellingborough) (Con): How much public expenditure there was in Scotland per capita in 2008-09. [27914]

The Secretary of State for Scotland (Mr. Jim Murphy): The Calman commission considered these issues. In 2007-08 the total expenditure on services per head in Scotland was £9,032. Scotland and England have seen similar percentage increases over the past decade.

Mr. Bone: I am grateful to the Secretary of State for that response, and I am delighted that he survived the night of the blunt knives. He is, of course, a highly respected Minister, but more importantly, he is a strong Unionist. My constituents have a third less public expenditure spent on them than is spent in Scotland. Does the Secretary of State share my concern that this imbalance weakens the Union?

Mr. Murphy: I do not share the view that the Barnett formula or the method of funding across this disparate Kingdom in any way fuels extremism or is a cause of the vile British National party support. I do not agree with that. In Scotland, on occasion, there is complacency about what happens in respect of the British National party. Of course we all know that its members are racists and anti-Semites, but their vote in Scotland has gone from near zero a decade ago to 27,000 at the European elections. The proportion of the BNP vote in Scotland was higher than the ethnic minority proportion of the population in Scotland as shown in the most recent census. Despite the complacency that sometimes creeps into Scottish politics, I believe that the BNP is also a Scottish problem.

Dr. Gavin Strang (Edinburgh, East) (Lab): Is it not clear that public investment is vital to the Scottish economy, especially at a time of recession? Is not one of the strengths of the Calman commission report the fact that its recommendations will give the Scottish Government of the day greater scope and flexibility over public spending?

Mr. Murphy: The Calman commission report has been welcomed across Scotland, except by a small number on the Opposition Benches. The Calman commission is about a different type of devolution. It is about making decisions that affect the people of Scotland in Scotland, and it delivers a stronger Scotland inside a stronger United Kingdom. It also ensures that there is greater responsibility in the Scottish Parliament for the decisions that it makes on spending.

Angus Robertson (Moray) (SNP): The Secretary of State is right to point out that the Calman commission recommended limited additional powers for the Scottish Parliament. The First Minister has offered to test that proposition and independence in a referendum. Does the Secretary of State not agree that the people should decide that?

Mr. Murphy: The SNP does not know which way to face on the report. We have the ludicrous sight of a nationalist party opposing more power for a Scottish Parliament. It could not be made up in any fantasy world of politics. Although the Scottish Government have confirmed again today, as I understand it, that they will not do the right thing by participating in the steering group on Calman, I ask the hon. Gentleman to have words with his friends in the Scottish Nationalist party and persuade them to do the sensible thing, and not to ban Scottish civil servants from helping to make the Calman commission the type of report that it can be—a report that strengthens the Union and delivers responsible devolution to Scotland.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I add my tribute to you, Mr. Speaker, for your support and for your service.

Does the Secretary of State agree that the Calman commission is a very radical and positive step forward for Scotland, and that when the Scottish Parliament is spending public money, it should be accountable for it?

Mr. Murphy: My hon. Friend and I were elected on the same day in 1997 on the manifesto commitment to deliver devolution for Scotland. Devolution has been a remarkable success, but it can be better still: more power for Scotland, doing what is best for Scotland and ensuring that Scotland stands strong within the United Kingdom. I believe—but, more importantly, most people

in Scotland share the view—that Scotland, England, Wales and Northern Ireland are stronger together in the United Kingdom. We would be weaker if we followed the SNP's policies of separating Scotland from the rest of the United Kingdom.

Sir Menzies Campbell (North-East Fife) (LD): The Secretary of State will be well aware of the sterile exchanges in recent days about the future of public expenditure in the United Kingdom. Will he promise to put aside the smoke and mirrors and to level with the people of Scotland about the consequences for public expenditure of the inevitable and necessary efforts to reduce record deficits?

Mr. Murphy: As I have said from this Dispatch Box on numerous occasions, the budget for the Scottish Government has doubled over the past 10 years. The current First Minister has more than double the budget of Scotland's first First Minister, Donald Dewar. Of course, the Scottish Government have to try to make savings, but even after any efficiencies they will have more money next year than they have this year, and that is because of continued Labour investment. We are determined to ensure that that money continues to go to Scotland to help Scottish families.

Andrew Mackinlay (Thurrock) (Lab): Mr. Speaker, I would like to thank you for your unfailing friendship over many years. I appreciate it very much.

The Calman commission might be good for Scotland and it might be good for the United Kingdom. What is unacceptable, however, is that the Scottish Parliament has passed a resolution on the commission's terms of reference but we have never done so. That is wrong. There is a United Kingdom, which I, in part, represent by representing an English constituency, and it really is unacceptable that Calman has not addressed our interests. I illustrate the fact by noting that we had a Secretary of State for Scotland, from a Scottish constituency, putting tolls on the Dartford-Thurrock bridge across the River Thames while tolls were being removed from the bridge across the River Clyde. We really have to address the West Lothian question; if we do not, other people will.

Mr. Murphy: There are many things for which I am responsible and there are occasional mistakes that I have made, but I have never introduced tolls on the bridge in my hon. Friend's constituency and I have never even visited it. However, I take his remarks as a well intended invitation to go and do so.

Andrew Mackinlay: You might not get to the other side!

Mr. Murphy: I shall certainly get into my hon. Friend's constituency, but I may not get out of it.

The important point that my hon. Friend makes, however, is about the devolution arrangements throughout the United Kingdom. The Calman commission is about strengthening the Scottish Parliament, but it is also very clear about strengthening the United Kingdom. I believe in the United Kingdom and think that the United Kingdom—the four nations of the UK—is the most successful gathering of nations anywhere in the world. Additional work needs to be done on constitutional renewal throughout the UK, and I look forward to my hon. Friend participating in those endeavours.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I am sure that over the past 30 years, Scottish questions will have been the highlight of your parliamentary calendar, Mr. Speaker. May I use this occasion not just to thank you and Mary for the personal kindness that you have always shown me, but to recognise the outstanding contribution that you have made to public life in Glasgow, in Scotland and throughout the United Kingdom?

Does the Secretary of State agree that, unlike the First Minister of Scotland, the Calman commission based its analysis of public expenditure in Scotland on research and fact, rather than on soundbites? Does the Secretary of State welcome the commission's suggestion of an updated needs assessment for the overall level of spending in each part of the United Kingdom? In the meantime, how does he envisage the welcome steering group that has been established taking forward the commission's recommendations for reshaping the mechanism by which Scotland receives 60 per cent. of its public spending, and over which the Scottish Parliament has control?

Mr. Murphy: Of course, the Government and the Treasury continue to consider the wider needs assessment and keep it under review. I am delighted that the hon. Gentleman and his colleagues in the Scottish Parliament will serve on the steering group, which I will chair. It is about maintaining the consensus that has developed around Calman and building the momentum to deliver on the Calman proposals.

It is not too late for other parties to become involved in the process. Unfortunately, however, the Scottish National party has said that it rejects in principle the invitation to become involved. However, it is surely not too late for it to decide not to ban Scottish civil servants, to help make a reality of this work, which will require better working relationships. Doing that would be an early way of proving better intent on the part of the Scottish Government.

David Mundell: I thank the Secretary of State for that response. Does he agree that the past year has seen the three Unionist parties working together for the people of Scotland on the future of devolution, putting Scotland's interests first? That is in stark contrast to the national conversation, which is the pursuit of a separatist agenda at public expense.

Does the Secretary of State agree that the First Minister is out of touch with what the people of Scotland want—a devolution settlement that works, not separation? In the best interests of the Scottish people, will the Secretary of State try one more time to persuade the First Minister to put aside petty party politics, join the mainstream of the constitutional debate and leave behind the backwater that is his national conversation?

Mr. Murphy: The fact is that there was an open invitation to the Scottish National party and the Scottish Government to become involved. I do not know what the hon. Gentleman thinks, but I reckon that there comes a point when it is rude to invite people continually to something in which they do not want to participate. So the next move is for the SNP Government. Even if they are not willing to do the sensible thing and participate in the steering group, they have to do the right thing and not block its progress. Scotland and the United Kingdom will never forgive a party that puts its interests before the needs of our country.

Lending (Small Businesses)

3. **Jo Swinson** (East Dunbartonshire) (LD): What recent discussions he has had with the Chancellor of the Exchequer on measures to encourage banks to lend to small businesses in Scotland. [279146]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): Mr. Speaker, since I came to the House I have much appreciated the friendship and support that you have shown, as one of my neighbouring MPs. I thank you for that.

My right hon. Friend the Secretary of State has regular discussions with the Chancellor on a range of issues. Since the start of the year, the Government have introduced a range of measures to help increase liquidity and ease credit conditions for business.

Jo Swinson: Like other hon. Members, I have huge amounts of correspondence from constituents with viable small businesses who are desperate to get credit but are being offered loans only on ridiculous terms—anything between 7 and 23 per cent. above base rate. On 15 October, the Leader of the House said:

"One of the main reasons why we have been…buying shares in the banks is to ensure that they start lending again to small businesses at reasonable rates. We will do whatever it takes to back up our small business sector."—[*Official Report*, 15 October 2008; Vol. 480, c. 790.]

When will the Government start doing "whatever it takes"?

Ann McKechin: The hon. Lady should look at the facts. The Government created the enterprise finance guarantee specifically for companies that cannot access commercial lending. To date, more than 187 firms in Scotland have benefited from loans of more than £25 million. In addition, the business support payment scheme from the tax office has helped 9,000 Scottish firms defer £167 million. I have been advised by the Royal Bank of Scotland that in the past year its lending to small and medium-sized enterprises in Scotland has increased by close to £100 million, and that it anticipates lending an additional £250 million to the Scottish SME sector this year alone.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Is my hon. Friend aware that many company owners who come to me complain that the terms and conditions of the enterprise finance guarantee are horrendous, as has been said? Furthermore, they are being asked to put up their family homes as a guarantee for the loans, although they have substantial equity in their own companies. Is it not unacceptable that people should be asked to put forward their family homes as a guarantee for money that, frankly, is being given to them at the behest of the Government, who saved the banks in the first place?

Ann McKechin: My hon. Friend raises a legitimate concern, although the taking of securities over domestic property by commercial lenders has always been a fairly standard practice over many years. We are ensuring that the banks in which we have a national stake will lend guaranteed amounts—more than £11 billion in the case of Lloyds TSB and more than £16 billion in the case of the Royal Bank of Scotland. We continue to press to ensure that that money gets through to the businesses that need it the most.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Minister invites my hon. Friend the Member for East Dunbartonshire (Jo Swinson) to look at the facts. The fact is that every week every Member of this House hears from a small or medium-sized enterprise that is not able to grow or is having its existence threatened because of banks' failures to lend. That failure to lend and to support SMEs must be addressed, because today's figures demonstrate that, as unemployment in Scotland rises at twice the rate of that in the rest of the United Kingdom, it is having tragic consequences for thousands of Scots every month.

Ann McKechin: Last year this Government invested £50 billion in Scottish banks—equivalent to £10,000 for every man, woman and child. The first thing we had to do was to stabilise the banking system to allow our businesses to survive. We appreciate that the credit situation has been difficult. However, Iain McMillan, the director of CBI Scotland, recently said:

"In discussion with our members in Scotland, we have found that concerns are easing about access to finance, but there are still some concerns about the cost of credit."

We are continuing to work very closely with the banks, and we believe that we will see an increase in lending over the next few months.

Rosemary McKenna (Cumbernauld, Kilsyth and Kirkintilloch, East) (Lab): May I add my voice to all the tributes that have been paid to you, Mr. Speaker? I look forward to bumping into you in my constituency.

Does my hon. Friend share the view that the scale of what has been done to support the banks in the United Kingdom makes a very powerful and persuasive case for the protection of Scotland's interests within the United Kingdom?

Ann McKechin: Yes, absolutely. Were it not for the strength of the United Kingdom, Scottish finance by itself would not have been able to provide the £50 billion that was essential to maintain the Scottish banks. As I said, that amounts to £10,000 for every man, woman and child in Scotland, and it shows the benefit of working together in partnership. *[Interruption.]*

Mr. Speaker: Order. Could I ask the House for some quietness? There are people's livelihoods at stake, and they have got to be discussed here in the House.

Local Authority Finance

4. **Mr. Angus MacNeil** (Na h-Eileanan an Iar) (SNP): What assessment he has made of the effect on the budgets of local authorities in Scotland of recent changes to Government funding allocations. [279147]

The Secretary of State for Scotland (Mr. Jim Murphy): Local authority finance is devolved and as such is a matter for the Scottish Government.

Mr. MacNeil: Local councils, including my own, Comhairle nan Eilean Siar, are going to face real cuts through the Westminster cut in Scotland's budget. I am not sure that the right hon. Gentleman will campaign on this next year if he finds himself in opposition, but will he use his remaining time in government to do the right thing by protecting Scotland's front-line services and funding? Will he stand up to the Treasury, or are we going to hear more excuses?

Mr. Murphy: As I said at this Dispatch Box just 10 minutes ago, the Scottish Government's budget has doubled over the past decade because of Labour investment; and, even despite the efficiencies that are to take place, it will increase again next year. The hon. Gentleman talks about choices. In the next few months, Scotland will face a clear choice between a Labour Government and the Conservative party. No one in Scotland believes that that rump over there is going to end up governing the United Kingdom. The fact is that the Scottish National party wants to see, and is determined to see, a Conservative Government returned to Westminster, because that suits its narrow political purposes.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Mr. Speaker, may I join those who pay tribute to you in saying that I am extremely grateful for your many acts of kindness to me, which began when I made my maiden speech from the back row of the Opposition Benches?

Will my right hon. Friend the Secretary of State confirm that allocations to local authorities will still be made by the devolved Executive in Holyrood, and that they remain twice the amount that they were 10 years ago, and very much more than when I was president of the Convention of Scottish Local Authorities?

Mr. Murphy: My right hon. Friend has enormous experience from when he was president of COSLA. The fact is that, as I have alluded to and as he said, the Scottish Government's budget continues to increase. We do, of course, look for additional ways to support local government, and tomorrow I will be hosting a job summit about how to support Scotland's long-term unemployed through this recession. Local authorities have an enormous role to play in that in Scotland and throughout the United Kingdom.

Housing Market

5. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): What assessment he has made of the effect on the housing market in Scotland of the fiscal measures introduced in the 2009 Budget. [279148]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): The UK Government's assessment is that the Budget measures are providing real help now to existing and aspirant home owners.

Mark Lazarowicz: Is my hon. Friend aware of the alarming findings reported in today's edition of *The Herald* about the low take-up of schemes to help home owners in Scotland? Will she discuss with the Scottish Government ways of ensuring that my constituents and hers can get the same benefits that home owners are getting in other parts of the UK?

Ann McKechin: I very much share my hon. Friend's concerns about the report that was issued today and reported in *The Herald*. Some 81 per cent. of agencies helping people across Scotland said that they knew that conditions imposed in the scheme were much more difficult for the people in the most desperate need and facing repossession. I do not want to see home owners in Scotland getting less protection than is already enjoyed in England. That is why I hope that the Scottish Government will act very quickly on the recommendations made by the repossessions working group and provide free legal advice in any court proceedings to everyone facing repossession.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [280103] **Dr. Alan Whitehead** (Southampton, Test) (Lab): If he will list his official engagements for Wednesday 17 June.

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, this is your last Prime Minister's questions, Mr. Speaker. The whole House will have a chance to acknowledge your great contribution to public life in a few minutes' time.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Dr. Whitehead: Mr. Speaker, may I add my appreciation of your kindness and generosity towards me and many other hon. Members in your time as Speaker?

In view of recent speculation, can the Prime Minister assure me that budgets relating to the support of green energy development and combating climate change will be maintained and enhanced over the next three years? Would he reflect on what the United Kingdom's ability to meet its carbon budget commitments would be if such funding were cut by, say, 10 per cent.?

The Prime Minister: In the Budget we committed an additional £1.4 billion of support for the low-carbon economy. That would not have been possible if we had followed the advice of the Opposition to make cuts of 5 per cent. this year. It would be impossible in the future if we went for the plans that have been suggested by the shadow Health Secretary to cut departmental expenditure by 10 per cent. We are for investing in the environment, not for using the money for inheritance tax cuts for the very few.

Mr. David Cameron (Witney) (Con): Welcome to Prime Minister's planted questions! *[Interruption.]* Some Labour MPs were a bit confused: when they were told about Mr. Ten Percent, they thought it meant his opinion poll ratings.

In our exchanges last week, the Prime Minister read out figures for total Government spending after 2011. Does he agree that, using the Treasury's own forecasts for inflation, those figures mean that spending is going to be cut in real terms?

The Prime Minister: I welcome this debate about public spending. I relish the chance to debate policy for once with the Opposition. The first thing that the right hon. Gentleman has to confirm is that he is cutting spending this year.

Hon. Members: Answer!

Mr. Speaker: Order. Let the Prime Minister speak. That is the best way—we hear what the Prime Minister has to say. *[Interruption.]* I am not responsible for his answers.

The Prime Minister: The first thing that the right hon. Gentleman has to confirm is that he would cut spending by 5 per cent. this year. That means that vital services would be losing money. I welcome the debate that we are having in this country. We are investing to get ourselves out of the recession; the Opposition would cut, and they would make the recession last longer. That would lead to higher debts and higher deficits that would have to be spent for. As for spending beyond 2011, the right hon. Gentleman knows the truth: he wants to spend less—10 per cent. less in most Departments—whereas we want to spend more.

Mr. Cameron: Absolutely no answer to the question. For the time that Peter Mandelson allows the Prime Minister to go on doing the job, he should at least answer the question. Every year, at every Budget, the Prime Minister stood there and read out figure after figure for total spending and told us it was an increase in real terms. Now he stands there, reading out figures for total spending, without admitting that they represent a real-terms cut. The country will conclude that he is taking them for fools. Everyone knows that what matters is spending over and above inflation. Let me ask him again: does he now accept that his spending plans from 2011 mean a real-terms cut? The Chancellor says that they are a cut. Are they?

The Prime Minister: The first thing we are absolutely sure of is that, regardless of economic circumstances, employment, investment and inflation, the Conservatives will cut expenditure by 10 per cent. The right hon. Gentleman said it himself last week—Tory cuts versus Labour investment. Now let me read out the figures for current expenditure. Current expenditure will grow every year to 2013-14, not just in cash terms but in real terms. Capital expenditure will grow until the year of the Olympics. After that, it will be less but asset sales will make up much of the difference. So we are increasing current expenditure, and increasing capital expenditure up to the Olympics. Unfortunately, the right hon. Gentleman's proposal is to cut expenditure by 10 per cent. He had better admit the truth: he is cutting expenditure by 10 per cent.

Mr. Cameron: It sounds more and more desperate. Whichever way we look at the figures, the Government plan to cut spending. Let us consider capital and current spending. Capital spending will go from £44 billion in 2009-10 to £22 billion in 2013. That is a massive cut. Now let us look at current spending. We must exclude debt interest and paying for unemployment—what the Prime Minister used to call the bills of social failure. When we do that, we see that current spending is also being cut. Capital spending—cut; current spending—cut. Those are Labour cuts. Let me ask the Prime Minister again—the question will not go away until he answers it. Will he admit—I would not listen to the Secretary of State for Northern Ireland, the right hon. Member for St. Helens, South (Mr. Woodward); he was pretty useless when he worked for us and he is still pretty useless. The question will not go away. Will the Prime Minister accept that his spending plans from 2011 mean a real-terms cut?

The Prime Minister: What the right hon. Gentleman is saying to us—he had better listen to the debate because it will go on for many months—is that, regardless of growth, employment, interest rates or inflation, he is dogmatically set on a 10 per cent. cut in most departmental expenditures. Let me read out the real-terms current expenditure: 603 to 629 to 633 to 638 to 642. What is that but a rise in real-terms current expenditure? I have already explained about capital expenditure and what is happening after the Olympics, but gross investment, real terms—*[Interruption.]* The right hon. Gentleman has not produced one figure yet and I have just given him the figures in the Red Book—63, 55, 49—and we will make that up by the asset sales that we have already announced in the pre-Budget report. I have to tell him that current expenditure will continue to rise in cash and real terms. The issue is that the Conservatives will cut current expenditure in real and cash terms. It is exactly what I said—Tory cuts, Labour investment. What is worse is that they would cut expenditure so that they can help the few with inheritance tax cuts, while we are the party of the many. Let him say that he is abandoning inheritance tax cuts.

Mr. Cameron: Every commentator and every economist has concluded that the Prime Minister is wrong and looks increasingly ridiculous. Let us take just one. Last week, Robert Chote, the director of the Institute for Fiscal Studies, said that

"judging from his performance at Prime Minister's questions on Wednesday—Gordon Brown needs some help to interpret his own Chancellor's Budget."

Let us take one of the Prime Minister's former Treasury Ministers, whom he appointed to work with him in Treasury. The right hon. Member for Bolton, West (Ruth Kelly) said that

"as the Budget made clear, the only way to clear a huge debt overhang in the medium term will be to cut billions of pounds from public spending."

Why does the Prime Minister find it so impossible to give a straight answer and be straight with the British people?"

The Prime Minister: I am the person who is giving the House the figures. The right hon. Gentleman has given not one figure to back up his proposition. The only figure that we have had is the admission by the shadow Health Secretary that he would cut public expenditure in vital Departments by 10 per cent. What we will not be doing is cutting expenditure by 10 per cent.

Let me tell the Leader of the Opposition what the real-terms rise in current expenditure is, and perhaps at some point he will listen: 603 to 629 to 633 to 638 to 642. These are rises in expenditure after inflation has been taken into account. Once again, he is trying to hide the fact that he has got 10 per cent. cuts. His is the party of cuts; we are the party of investment. Because he wants to use the cuts to pay for inheritance tax, let us remember once again: the Conservatives are the party of the few and we are the party of the many.

Mr. Cameron: The right hon. Gentleman is just sinking and sinking. He thinks that everyone is so stupid that they will not notice that once we take out debt interest and unemployment benefit, the Departments of all those Ministers on the Treasury Bench will be cut, cut, cut. That is the truth. Why does the Prime Minister not just stand back for a moment and ask why he is so distrusted? It is not actually the recession: there is a recession all over Europe; and yet no other European leader—*[Interruption.]*

Mr. Speaker: Order.

Mr. Cameron: The reason the right hon. Gentleman is in the hole that he is in is because he is not straight with people. *[Interruption.]*

Mr. Speaker: Order. We must allow the Leader of the Opposition to be heard. *[Interruption.]* Order. Allow the right hon. Gentleman to speak. *[Interruption.]* Order. I do not want a Minister pushing his luck, so I ask the right hon. Member for Tooting (Mr. Khan) to behave himself.

Mr. Cameron: Labour Members shout for half an hour on a Wednesday and spend the rest of the week trying to get rid of the Prime Minister. His problem is that he is not straight with people. He was not straight over the cancelled election; he was not straight over the 10p tax; he was not straight over flying to Iraq during the Tory conference; he was not straight over Damian McBride; he was not straight about who he wanted as his Chancellor; and now he will not be straight with people about the level of Government spending. Will everyone not conclude that if you cannot be straight with people, you are simply not worthy to be our Prime Minister?

Mr. Speaker: Order. Even though it is my last day, the Leader of the Opposition knows that the term "you" is not something that I approve of, and I think that the candidates at all these hustings will be saying that they do not approve of it either.

The Prime Minister: The right hon. Gentleman is learning all the time. At last he has a European policy, and he now admits that there is a European recession. As far as his last comments are concerned, is it not remarkable that he descends back into personalities? He cannot deal with a policy debate. I have said that we are taking action to deal with the recession, and that means that more people will be in work, that more businesses will be saved and that more help will be given to mortgage holders. We are spending money to take people out of recession; he would cut the money now. There would be more unemployment, more debt and more deficit. The Conservative party has to face up to its responsibility. The Conservatives are calling for public spending cuts at a time when every country in Europe and the rest of the world knows that we have to inject more money into the economy.

As for the future, everybody also knows—this is where the serious debate lies—that what can happen depends on growth and what happens to inflation, employment and interest rates. There is good evidence that the proposals that we have put forward are working, whereas the proposals that the Conservatives have put forward would not work. As for the future of public expenditure, let us just be clear: I have read out figures showing that there are not only cash rises in all our current expenditure in each year, but real-terms rises. The Leader of the Opposition has given us no figure, except the figure of his Health Secretary, which is a 10 per cent. cut in public expenditure. The public will remember one thing about the last week: 10 per cent. cuts in public expenditure under the Tories; investment under Labour. They are the party of the few; we are the party of the many.

Mr. Cameron: Why does the Prime Minister not understand that character and policy come together in the vital question of telling the truth that public spending will be cut, according to his own plans? Everyone will have seen today that the Prime Minister has drawn one of his precious dividing lines between himself and reality. That is what we have seen. People know that they have a Prime Minister whom they never elected, a Prime Minister who cannot be straight with people and a Prime Minister who will not even give 10 per cent. of the truth.

The Prime Minister: The leader of the Conservative party said:

"We've made it clear that a Conservative government would spend less than Labour."

So it is absolutely clear that the Conservatives would be spending less every time. They would be cutting spending on vital services, and people should not forget that. He wants to read out quotes from this person or that person, but why does he not face up to the policy issue? We are spending 5.5 per cent. more on the health service this year, and 4 per cent. more on education. We are building more schools, employing more nurses, building up the health service and making the policing in our community work. At every point, the Conservatives would be cutting these vital services. They should go back to their constituencies and explain how many police, nurses, doctors and teachers they would cut under policies that are in the interest not of the many but, in their case, only of the few.

Several hon. Members *rose—*

Mr. Speaker: Order. I am going to call you, Mr. McGrady, but you will be brief, won't you?

Mr. Eddie McGrady (South Down) (SDLP): Thank you, Mr. Speaker. I will be brief, but I want to thank you for your personal kindness to me and my party over your many years in the Chair and outside this Chamber.

My right hon. Friend the Prime Minister will be aware that devolution to Northern Ireland has not been completed owing to the absence of the devolution of policing and justice. This issue has now become a political football between the two parties in power, and the situation has been exacerbated by the recent European elections. Will he take a personal new initiative to complete that all-important stage of devolution, which is the prerogative of the whole community in Northern Ireland?

The Prime Minister: I think that the benefits to Northern Ireland of the devolution of policing and justice will be very considerable indeed. I realise that there are very delicate issues that have to be dealt with, and that there are conversations to be had, but I recognise that progress has been made with the commitment of the major parties to devolution in principle. Talks are now taking place that I hope will yield results, and I hope it will not be long before we complete the process of the devolution of policing and justice under terms that will give security to every community in Northern Ireland.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Does the Prime Minister agree with the comments made by his Chancellor this morning when he blamed the banks' boardrooms for the recession but refused fundamentally to change the way we regulate them?

The Prime Minister: We are fundamentally changing the way we regulate our banks. We are banning them from giving bonuses at the moment where we have taken over the banks. We are changing the structure of the boards by the way we are dealing with the problems that have been created in this recession, and we are introducing new financial services legislation in the next year to change the structure of regulation. In every area in which abuse has been found, we are taking action to deal with it. I hope that, when the legislation comes before the House of Commons, the right hon. Gentleman will support it, because that is the right thing to do. When people make mistakes, that has to be dealt with, and we are dealing with the mistakes that have been made in the City.

Mr. Clegg: I still think that the Prime Minister is trying to have it both ways. He cannot just blame the bankers but not change the basic way we control them. He is just passing the buck. I will tell him who is to blame for this recession: a Government who did not listen to warnings, who let the bankers get away with blue murder and who, even now, refuse to separate ordinary high street banking from casino investment banking. Can he not see that if he just keeps passing the buck, the only certainty is that this kind of crisis will happen all over again?

The Prime Minister: The right hon. Gentleman is speaking as though high street banks and investment banks did not fail. The truth is that both failed, and we have to deal with that. The solution is to have better regulation and better supervision. It is actually about cross-border supervision at a global level as well. It is about bringing in those countries that have been outside the scope of supervision and regulation. That is what the G20 was about: to bring them all into the regulatory and supervisory net. To be honest, I think the right hon. Gentleman actually supports what we are doing but cannot bear to say so.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Is my right hon. Friend aware that, despite all the promises, the Lloyds group of banks is planning to decimate jobs in Yorkshire and take them down south to Peterborough? Will he urgently talk to the management of the Lloyds group and point out that we are major shareholders in that bank and expect better standards?

The Prime Minister: I am very happy to talk to Lloyds, which made promises at the time it took over HBOS about what it would do to safeguard the jobs of its employees. We will look at the issue in that context; any jobs lost are to be regretted and we will do everything we can.

Q2. [280104] **Tom Brake** (Carshalton and Wallington) (LD): The Prime Minister will have satisfied virtually nobody with his private inquiry into the war in Iraq. He does, however, have the opportunity to satisfy one family—the Al-Sarraj family. Mr. Al-Sarraj, who is detained in Camp Cropper in Baghdad, is the husband of my constituent, Shereen Nasser. Will the right hon. Gentleman talk to the US authorities to try to secure a release date for Mr. Al-Sarraj?

The Prime Minister: The hon. Gentleman has raised the case with me; I shall look further at what he says and write to him.

Ann Clwyd (Cynon Valley) (Lab): Will the Prime Minister take this opportunity to condemn the appalling racist attacks on Romanian families in Belfast?

The Prime Minister: Yes indeed, and I hope that the authorities will be able to take all the necessary action to protect those families.

Q3. [280105] **Mr. John Randall** (Uxbridge) (Con): Will the Prime Minister confirm that the Department for Transport has been compiling dossiers on opponents of the third runway at Heathrow and handing them over to the police? Will he find out whether there is one on me and one on his hon. Friend the Member for Hayes and Harlington (John McDonnell)?

The Prime Minister: I know nothing about this—*[Interruption.]* Any allegation that the hon. Gentleman makes will of course be investigated, but it is not something that has been drawn to my attention. As far as the Heathrow expansion is concerned, it is a contentious issue but the House has voted on the matter.

Q4. [280106] **Mr. Mark Hendrick** (Preston) (Lab/Co-op): My right hon. Friend will know that the Lancashire police constabulary is the top-performing police force in the country. Burglary is at a 27-year low and vehicle crime at a 20-year low. The number of police officers, police community support officers, special constables and other staff has increased by 1,400—30 per cent. since 1997. Will my right hon. Friend tell me what impact a 10 per cent. cut in policing will have on staff and crime in Lancashire?

The Prime Minister: It could involve the loss of about 15,000 police. Those who advocate 10 per cent. cuts in the Home Office have to face up to the consequences, as it will mean fewer policemen on the beat, less neighbourhood policing and less protection against crime. *[Interruption.]* I notice that Conservative Members are not worried about a 10 per cent. cut in the police; I think they would hear from their constituents if such a cut were ever to happen.

Mr. Peter Robinson (Belfast, East) (DUP): Has the Prime Minister any concern about the expressed intention of the Chief Constable of the Police Service of Northern Ireland to axe the full-time police reserve in Northern Ireland? Does he recognise that there is a heightened level of dissident activity and that the Chief Constable is leaving his job, so is this not a decision that should be left to the new Chief Constable?

The Prime Minister: I think the hon. Gentleman will recognise that we have committed additional resources to deal with the problems posed by the dissident groups in Northern Ireland. I spoke to the former chief of police in Northern Ireland at exactly the time of the incidents and we promised him that the resources would be there to deal with the problems arising from the actions of those dissident groups. I assure the hon. Gentleman that the security of the people of Northern Ireland will not be put at risk in any way.

Q5. [280107] **Judy Mallaber** (Amber Valley) (Lab): Mr. Speaker, may I thank you for your kindness over the years and wish you well?

Knives, age-related games and alcohol were all bought online recently by a 16-year-old acting for Greenwich trading standards without any checks being made. They were bought from Debenhams, Marks and Spencer, Argos and other stores, even though his card was registered with his real date of birth and address. Will my right hon. Friend look to extend the provisions in the Gambling Act 2005 to restrict and have simple checks on age so that our young people cannot get easy access to knives and other age-restricted goods, in accordance with the recommendations of the children's charities digital manifesto on internet safety?

The Prime Minister: I know about the document to which my hon. Friend refers. She may be aware that yesterday we published the "Digital Britain" document describing the steps that the Government are taking to ensure the online safety of children, and the ways in which the Government will continue to support further action by the industry against such practices. We have also set up the UK Council on Child Internet Safety, which, as she probably knows, is examining these issues.

Angus Robertson (Moray) (SNP): The Calman commission reported this week that the Scottish Parliament should have additional limited powers. The First Minister has offered to test that proposal, together with the proposal for independence, in a referendum. Does the Prime Minister agree that the people should have their say?

The Prime Minister: I am sorry that the Scottish National party is not supporting the Calman recommendations. They give a new basis on which the Union can move forward, providing a measure of devolution that will allow the Union to be safeguarded for the future. The difference between us and the Scottish National party lies in the fact that the SNP wants complete independence, although all the evidence suggests that the people of Scotland do not.

Q6. [280108] **Joan Walley** (Stoke-on-Trent, North) (Lab): May I thank you personally for your kindness, Mr. Speaker?

On policy, let me say to my right hon. Friend that my constituents are nervously awaiting the outcome of the Learning and Skills Council's review of the Building Colleges for the Future programme. We need that money. Will he give some reassurance that when the review takes place our Government will make an immediate decision, and that he will take account of our commitment to urban regeneration in Burslem and to the university quarter so that the full amounts can be provided for the campuses in Cauldon and on the Burslem site?

The Prime Minister: In the Budget, we announced an extra £300 million of capital spending on further education colleges to meet some of the demand that has arisen as a result of the number of colleges that wish to expand and build new facilities on their campuses. We are looking at all the projects. The LSC has talked to the principals of all colleges this month, and we hope to announce the projects that will proceed to their next stages as soon as possible.

Q7. [280109] **Mr. Lee Scott** (Ilford, North) (Con): Will the Prime Minister tell the House whether the Government have received any informal briefings from Damian McBride?

The Prime Minister: I have not.

Andrew Mackinlay (Thurrock) (Lab): I should like to ask the Prime Minister about a modest constitutional innovation. Will he invite the House of Commons to amend its Standing Orders to allow senior Ministers in the House of Lords to come to this Dispatch Box to defend their stewardship of their Departments, and to pilot legislation of which they are the principal architects? Even the most senior junior Minister will on occasion be nothing more than a superior parrot unless that change is made.

The Prime Minister: We have a strong team of Ministers in the House of Commons, who are perfectly able to answer questions and conduct debates in the House of Commons. If my hon. Friend has proposals for constitutional innovation, perhaps he could put them to the Committee chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright).

Q8. [280110] **Mr. Paul Burstow** (Sutton and Cheam) (LD): This is national elder abuse week. According to the Government's own figures, 5,980 older people are victims of abuse every week in this country. Will the Prime Minister consider the need for legislation? The overwhelming majority of organisations responding to a Government consultation said that it was necessary, not least at a time when 5,900 people every week are unprotected from assaults and those who commit the assaults go unpunished. Is it not time for legislation, and will the Prime Minister meet me to discuss the matter?

The Prime Minister: Any abuse of the elderly is completely unacceptable. I hope that the criminal law will protect them, and that the regulatory framework will be such that we can give the protection that is necessary. We will continue to keep that regulatory framework under review. In a week when the amount of abuse of the elderly is being noted, I think it right to say that no citizen should be engaged in anything that puts the dignity and security of elderly people in our country at risk.

Emily Thornberry (Islington, South and Finsbury) (Lab): I wonder whether my right hon. Friend could explain a phrase that I heard recently: "Play the ball and not the man." Perhaps as an ex-rugby player he could explain both its meaning and its application to Prime Minister's questions.

The Prime Minister: It means that on only a few occasions in the past year has the Leader of the Opposition managed to raise questions about policy. We welcome the debate about policy which will be held in the country over the next few months, when we will show that we will safeguard the health, education and public services of this country against 10 per cent. cuts by the Conservative party.

Q9. [280111] **Willie Rennie** (Dunfermline and West Fife) (LD): Will the Prime Minister join me in commending the work of the Chernobyl children's charities, which bring thousands of children over from Belarus every year for recuperative holidays? Will he also explain why the Home Office has decided not to give free visas to the

Chernobyl children from the north of Ukraine, who are suffering worse conditions than those from Belarus, and will he meet me and a delegation of the charities to discuss this important issue?

The Prime Minister: I know that the hon. Gentleman has raised this matter on many occasions and has taken a deep interest in it. I also know that he has held an Adjournment debate on it. He is asking about the Home Office and what it can do to help. I suggest that he ask for a meeting with the Home Secretary, and I am sure the Home Secretary will be happy to meet his delegation.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): As my right hon. Friend may know, I have in my constituency three of the five biggest energy users, and they are very concerned about increasing energy costs. What steps are my right hon. Friend's Government taking to protect them against excessive profits, which has happened before in respect of the energy companies?

The Prime Minister: Everybody is concerned about the 50 per cent. rise in oil prices that we have seen over the last few weeks. The oil price was $150, then it went down to $30, and it has now gone up to $70. That means that it is very difficult for energy companies in this country, but also very difficult for consumers, and very difficult when we consider future gas and electricity bills. I believe that the world has got to look at what it can do to make sure that supply of and demand for oil is far more in balance, so that we can keep oil prices under control.

Hebrides Missile Range

Application for emergency debate (Standing Order No. 24)

12.31 pm

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I rise to seek leave to move that the House discuss a specific and important matter that should be given urgent consideration: the proposed movement of the missile testing facilities from Hebrides range in my constituency, with the loss of 120 jobs—and unofficial estimates from Highlands and Islands Enterprise effectively double that. South Uist, North Uist and Benbecula cannot cope with that level of cuts. In a major city such as Glasgow, that would be the equivalent of 6,000 to 7,000 jobs gone at the stroke of a pen. Bad as that may be in a city, for an island community it is infinitely worse; it means depopulation to the next city or employment opportunities that are eight hours away by ferry and vehicular transport.

The people of North Uist, South Uist and Benbecula have taken the Hebrides missile range into their community and accepted and worked with its needs and demands. An entire community has shaped itself to fulfil its needs: a service and sacrifice that entailed forgoing many opportunities, at great opportunity cost to the community. The Ministry of Defence, through QinetiQ, cannot walk away leaving chaos and a vacuum behind. There is a social and economic responsibility here.

Over and above the social and economic responsibility, however, the Hebrides range is simply the best for purpose in missile testing. No other range compares to the Hebrides range; it is so large that the curvature of the earth becomes a factor. This difficulty is mitigated by the existence of St. Kilda as a monitoring post almost in the middle of the range. There is no equivalent in the UK—or in Europe—to Hebrides range.

Hebrides range is important to the defence of the realm, and also for the defence of Europe, as many other countries use the range for testing. It must not be decimated; it must not be smashed; it must not be ruined at the stroke of a pen. For the islands and also for defence, Hebrides range is too important. Its closure was considered 15 years ago under a previous Government and rightly rejected for many valid reasons. This proposal needs full parliamentary scrutiny in Committee and on the Floor of the House. I put this to you, Mr. Speaker, for your consideration.

Mr. Speaker: I have listened carefully to what the hon. Member has said, and I have to give my decision without stating any reasons. I am afraid that I do not consider the matter he raises to be appropriate for discussion under Standing Order No. 24. I cannot therefore submit the application to the House.

Programming of Bills (Suspension)

Motion for leave to introduce a Bill (Standing Order No. 23)

12.34 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I beg to move,

That leave be given to bring in a Bill to provide for the suspension or restriction of programming of Bills when the House of Commons is scheduled to meet for fewer than a prescribed number of days in any specified period; and for connected purposes.

The only possible justification for guillotining debate and preventing thorough scrutiny of legislation by this House is a shortage of parliamentary time. The Government have decided that Parliament will sit for fewer days this year than in any year since 1945, but they are still using powers, once reserved for exceptional cases, to restrict the time available for debate on every Bill. As a result, large swathes of legislation leave this place without ever having been scrutinised at all. My Bill will mean that in future no Government could restrict the time available for debate on Bills if Parliament is scheduled to sit for fewer days than the average of recent years, for example. That will set Parliament free to do what it is supposed to do: scrutinise legislation thoroughly and hold the Government to account.

I regularly invite everyone on the electoral register in a cluster of streets in my constituency to visit Parliament, and they come in their hundreds. One question that they often ask is, "Isn't Parliament just a talking shop and a waste of time?" They are right that it is a talking shop—the word "Parliament" comes from the French word "parler", which means "to talk"; that is what we do—but they are wrong to say that it is a waste of time. There are only two ways to govern a country. One is when the Government say, "These are the laws, obey them. These are the taxes, pay them. You have got no say in the matter." The second way, which we have developed in this place over 1,000 years, is by having a system whereby no law may be introduced and no tax imposed until it has been discussed and debated in this House and a majority of the representatives of the British people have given it their assent. That is what this place is for: to debate and discuss exhaustively whether each Bill is right in principle and whether it will work in practice, in the light of all the submissions we receive from our constituents and others affected by it.

That process takes time, so the idea of curtailing debate has always been alien to this House; it is an alien thing, given an alien name—the guillotine—that was introduced when Parliament accepted the need, in extremis, to put a time limit on debate. The guillotine has since been invoked very sparingly; the previous Conservative Government guillotined only between four and five Bills every year. This Government decided early on that all Bills should be guillotined, and that was renamed "programming" in new Labour newspeak. Programming was supposed to ensure that every Bill would receive full consideration, but that has not happened.

All too many Bills leave this House with sizeable chunks never debated in Committee and with grotesquely inadequate consideration by the whole House on Report. In the case of three quarters of Bills last year, this Chamber was not allowed to debate all the groups of

[Mr. Peter Lilley]

amendments selected for debate by the Speaker. For example, the Government deliberately restricted the time for debate on the Human Fertilisation and Embryology Bill so that dozens of new clauses were not debated; on the Counter-Terrorism Bill Members had only three hours to discuss 16 new clauses and 60 amendments covering crucial issues such as post-charge questioning and control orders; and on the Climate Change Bill we were not allowed to debate the crucial amendment increasing the carbon reduction target from 60 to 80 per cent., which doubled the Bill's cost and which many supporters felt did not go far enough.

Moreover, the time saved on debating primary legislation has not been used to scrutinise secondary legislation, which increasingly accounts for the substance of our laws. The proportion of statutory instruments requiring the affirmative procedure considered by the House has fallen from one third in the last three years of the Major Government to just 6 per cent. now and, of the thousands of statutory instruments subject to the negative procedure, the number put to the vote in the Chamber declined from one in 200 under the previous Government—that figure is bad enough—to only one in 1,000 now.

In the present climate, people assume that that proves that Members of Parliament are lazy as well as greedy. I shall say nothing of greed, other than that many hon. Members backed my last ten-minute Bill, even though it sought to cut MPs' pay whenever we give away powers to Europe or the courts. Far from being lazy, most MPs are eager to scrutinise legislation, to hold Ministers to account and to debate the Opposition's policies too—we would willingly do so for longer. It is Ministers, not Back Benchers, who prefer to send Parliament away for as long as possible, because all Governments, not just this one, find it is disagreeable to be scrutinised, criticised and held to account. There is a myth, which has been given a new lease of life by the recent crisis of confidence in Parliament, that debates no longer matter and that MPs are Lobby fodder controlled by ever more powerful Whips. Commentators hark back to the "golden age", when MPs were supposedly more independent-minded, Whips had less power and the Government could get legislation through only by genuinely convincing their own supporters or by winning over some Opposition MPs.

In fact, Professor Cowley's evidence to the Modernisation Committee demonstrates that things have been moving in exactly the opposite direction. When Lord Hailsham described the British constitution as an elective dictatorship, there was a lot of truth in his description. Between 1945 and 1970, there was not a single Government defeat in the House of Commons as a result of Back-Bench dissent. There were two whole Sessions in the 1950s during which not a single Government Member defied their Whip, but since then Back Benchers have become increasingly independent minded in each successive Parliament.

More than 4,300 votes were cast against the Conservative Whip during Margaret Thatcher's Government, and no fewer than 6,500 votes cast against the Labour Whip under this Government. Despite new Labour's passion for discipline and its big majorities, it has faced the largest rebellions this House has seen since the corn laws. Time and again, Labour has only been able to get legislation through by making concessions to critics on its own side, by winning the support of minor parties or by relying on the Opposition. On issues such as 42 days, it had to back down ultimately, as it did recently on the Gurkhas. It may also have to back down on the Post Office, just as John Major's Cabinet did.

One reason MPs are more independent nowadays is that we are in continual dialogue with our constituents in ways that did not happen in the past. They write to us, question us and e-mail back to us. They will not be fobbed off with the official party brief and so we are forced to look at controversial issues in depth. On occasion, in trying to convince our electors that our party's line is correct, we end up convincing ourselves that it needs to change. I believe that that is a good thing. It means that debate matters, scrutiny matters and Parliament matters. But that requires time. I remember a former Labour Chief Whip, the late Lord Cocks, telling me during a late-night sitting, "Peter, time is the only weapon the Opposition have. We can't win the votes, but given time we can win the argument. Given time, we can drum those arguments in until your Ministers lose confidence in their own policies, you lose confidence in them and the public lose confidence in the lot of you." My Bill will give future Oppositions that time, so I know that I can count on the support of all those Labour Members who recognise that they may be sitting on these Benches before too long.

By contrast, some of my right hon. Friends on the Front Bench may have their doubts. Scrutiny is uncomfortable. The first instinct of every Whip is to curtail it if they cannot prevent it entirely. But scrutiny is good for good government. Governments with good policies and confidence in those policies—and with the humility to respond positively to constructive criticism of them—have nothing to fear and much to gain from full and thorough scrutiny in this place. I ask leave to bring in this Bill and set Parliament free to do its job.

Question put and agreed to.

Ordered,

That Mr. Peter Lilley, Anne Main, Sir Patrick Cormack, Mr. Christopher Chope, Philip Davies, Mark Fisher, Mr. John Gummer, Dr. Evan Harris, Mr. Elfyn Llwyd, Mr. Chris Mullin and Mr. Charles Walker present the Bill.

Mr. Peter Lilley accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 3 July and to be printed (Bill 113).

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On a point of order, Mr. Speaker. I attempted to give you notice of this point, which is to do with how we deal with matters relating to the opinions, publicly or privately expressed, of the heir to the throne. You will be aware that "Erskine May" prevents us from assuming that members of the royal family have a private opinion, although the rule that prevents us from debating such matters is, apparently,

"not strictly applied in cases where one"

member of the royal family

"has made a public statement on a matter of current interest so long as comment is made in appropriate terms."

When a private statement is made that seeks to lobby either the Executive or a third party, it is not clear what we can do as Members Parliament to engage with the

issue, even when it is current in the media—on the airwaves and in the papers—or what we can do when we are asked by constituents to comment on the issue or to raise it in Parliament. What advice can you give Members of Parliament who wish to ensure that there is full transparency on matters of public policy or private matters affecting citizens or subjects of this country? Is this the only place where the opinions of the Prince of Wales, for example, cannot be debated?

Mr. Speaker: It is the practice of the House that the personal conduct of a member of the royal family cannot be discussed except in debate on a substantive motion drawn up for that purpose. When any member of the royal family engages in public debate, it is of course in order for any views expressed to be discussed, provided that that does not extend to personal criticism. I hope that that helps the hon. Gentleman.

Speaker's Statement

12.45 pm

Mr. Speaker: One of the pleasant side effects of a Speaker moving on is that his signature becomes a collectors' item. I can inform the House that in the past few weeks I have signed several hundred bottles of Speaker Martin's malt. The Chancellor will be pleased to know that some bottles are fetching as much as £150 on eBay. I wanted to help the Chancellor in stimulating the economy, but, as a lifelong teetotaller, I am surprised that I could do so in such a way.

I pay tribute to my staff in Speaker's House: Angus Sinclair, the Speaker's Secretary; Peter Barratt, the Assistant Secretary; Ian Davis, my Trainbearer; Chris Michael, the Diary Secretary; Eve Griffith-Okai; Katherine McCarthy and Abdulaye Balogun. In Speaker's House, Mrs. Gloria Hawkes, Housekeeper, has always been there for us; a good friend. No Speaker could ask for a better or more dedicated staff. My three Deputies, Sir Alan Haselhurst, Sylvia Heal and Sir Michael Lord, have shown me first-class support, both inside and outside the House, where their expertise is plain to see. I also thank the members of the Chairmen's Panel for their dedication in working night and day.

I must say thank you to the work force in the Palace of Westminster. It is plain for Members to see the Police, Security Officers and Badge Messengers going about their duties and their courtesy is renowned. We have a Library that is highly regarded by every democracy, and especially in the Commonwealth. It has adapted so well to our electronic age.

The Speaker's Chaplain, Canon Robert Wright, has given me invaluable spiritual guidance. The Legal Services Office under Speaker's Counsel does much that is unsung. The Clerks—men and women who are excellent procedural experts—give advice at our side every day we are in Session. They go out of their way to provide help and research. Their advice to emerging democracies in eastern Europe and beyond is invaluable and they are held in the highest regard. *Hansard*'s powers of concentration and accuracy are first class, and the Commonwealth Parliamentary Association and Inter-Parliamentary Union do so much for us.

I must mention those men and women who run our catering outlets and those associated with the Department of Facilities who are behind the scenes cleaning, maintaining and quietly working hard in our support, so often without much recognition. And the same goes for those in the Fees Office—the Department of Resources, as it is now called.

Some of these men and women we do not often see or do not know by name. I have taken every opportunity to ask them to Speaker's House when I can, to thank them for their hard work on your behalf. As testimony to their dedication, I recall that on 7 July 2005, many walked home or walked to work when their transport had stopped, and they made sure that they were at their work the next day. In the snowstorm that stopped London this year, many made that huge effort to walk in and do their work, and they are a credit to this House.

When I found out that the Palace of Westminster with its Pugin craftsmanship did not have apprentices, I proposed an apprenticeship scheme. All the trades of

[Mr. Speaker]

the House—the carpenters, electricians, plumbers, upholsterers and chefs—embarked on a work experience and apprenticeship scheme that has allowed local boys and girls to be trained to a very high skill, making them employable here in the House or outside in all parts of London. By the summer break, some of the apprentices will be receiving their final trades certificates. I am grateful to all those who are giving so many young people a good start in life.

When you charged me with the responsibility of caring for Speaker's House, my wife Mary and I resolved to make this place of world heritage also a place of welcome. So many fellow Members and Members of the other place honoured us with their presence. It was a pleasure to receive leaders and Speakers from democracies throughout the world over the past eight years. I will leave Speaker's House in the knowledge that I have opened the House to people from so many charities who have either wanted to promote their work or celebrate a special anniversary or occasion. It was always a joy to receive regular visits from the little children from LATCH, the leukaemia charity of Wales.

We welcomed many voluntary, professional and veterans associations, including the Royal College of Midwives. We also welcomed world war two veterans—some from HMS Speaker—and representatives of Marie Curie, which is a hospice in my constituency, the homeless charities, and the Huntington's Disease Association.

As a man of Christian faith, I have been able to welcome other faith groups and was so pleased to initiate the annual Jewish celebration of Hanukkah taking place in Speaker's House, bringing members of staff, Members of the House and others of this ancient faith together.

I want to mention a few recent issues that have troubled me greatly.

The police search of the office of the hon. Member for Ashford (Damian Green) led to my statement of 3 December last year, which I affirm today. I am pleased that the Government Chief Whip has assured me that an all-party inquiry of eight senior Members, with a member of the Opposition in the Chair and with no Government majority, will inquire into this matter, establish the truth of those events in full transparency, and allow all the lessons to be learned. I will give evidence to any depth required by the House.

Let me turn to Members' expenses and allowances. This subject has caused understandable loss of public trust and confidence in us all. In my 30 years in this House, I have seen nothing like it. Let me say again to the men and women of this country that I am sorry.

But also let me remind this House that it passed up an opportunity to deal with this emotive issue less than a year ago. In January 2008, I was tasked by the House with reviewing Members' allowances. I pay tribute to my colleagues—the hon. Member for Middlesbrough (Sir Stuart Bell), the right hon. Member for Penrith and The Border (David Maclean) and the hon. Member for North Devon (Nick Harvey)—on the Members Estimate Committee, who worked very hard to produce detailed and thorough proposals. They took a wide range of evidence and produced a report that was blunt and straightforward, and whose 18 separate recommendations were presented to the House on 3 July 2008.

In a letter to me on 30 June last year, Sir Christopher Kelly, Chairman of the Committee on Standards in Public Life, commented that the Committee was

"pleased to see the proposals for a more robust system of audit and assurance, based for the most part on claims backed by receipts, and by the implied acceptance of complete transparency about what is claimed. Taken together, these seem to us to be significant steps towards the establishment of the robust regime that MPs and the taxpayer have the right to expect".

The response of the House was deeply disappointing. Half of all Members did not attend to vote, and more than half of those who did vote rejected the proposals. I regretted that then: I deeply regret it now, and I expect that many Members of the House now share that regret.

Of course, the recommendations would not have solved every difficulty, but they would have ended many practices for which Members have been attacked in recent weeks.

Some proposals have been seized on by party leaders who have come up with their own solutions but, by and large, those solutions were in my Committee's 18 recommendations. They would have stopped claims for furniture and household goods, ended outer-London Members claiming for the cost of second homes, introduced a robust new system of internal and—crucially—external audit, and reduced the receipt level to zero.

I wish with all my heart that those recommendations had won the confidence of the House last July. And I wish that party leaders had shown then some of the leadership that they have shown now.

Tradition has it that such votes are not whipped, but this does not remove the responsibility of leaders to speak up for common sense and for the obvious wishes of the country in seeking necessary reform. We should have done that last year.

As to the legal challenges made to the Freedom of Information Act, as Speaker I could see that some Members wanted complete and total transparency, while others strongly argued that the information should only be to a certain degree. The representations to me came from every party, and from every level of those parties.

I listened to these representations but I was also aware that, in an important area of law such as this, the decision of a very new Information Tribunal to publish the details of 14 Members of Parliament had to be tested in a higher court, because its decision would affect all 646 Members. What we now know is that transparency will be the House's best safeguard.

On 4 May 1979, the people of Glasgow, Springburn—now Glasgow, North-East—entrusted me with the greatest honour of my life when I was returned as their Member of Parliament. Glasgow is the place where I served my apprenticeship as a young metalworker, and where I joined the trade union, of which I am still proud to be a member. It is also where I married my wife, Mary, and where we raised our family. My thoughts go back to the fact that every member of my family, including my son Paul and daughter Mary, have been cared for so well at Stobhill hospital, which, over the years, I have been able to campaign for on the Floor of this House.

Of the many issues affecting my constituency, housing has been a fundamental problem, so it has been exciting and rewarding to have been able to engage in the early years of the new community-based housing associations.

In 30 years, their growing strength has brought about dignity and comfort for many men, women and children who would otherwise have faced damp and inadequate dwellings. Furthermore, they have spurred the growth of excellent local institutions, community halls and sheltered housing for our elderly.

As the House will appreciate, I took pride, throughout my time as a Back Bencher and as Speaker, in holding surgeries and taking up matters that were important to individual organisations, and all the people of my constituency. I must record and give thanks for the support of my agent, Councillor Gerry Leonard, my constituency assistant, Mrs. Georgie Rainey, and my lifelong friend, Mr. Barry Reamsbottom, who helps me here in London. They have always shown unfailing support in the constituency, and I am honoured to have worked with them.

The constituency will always be home in every sense for me. There can be no greater honour than bringing to this House the richness of that experience, the privilege of representing friends and neighbours, and the values of family and community that I hold dear. To all those good people of Glasgow, North-East, and Springburn before it, let me say this: I will forever be in your debt for giving me your friendship, support and trust.

I have enjoyed every day of coming to this House. It was a great honour to be invited by Speaker Weatherill to be on his panel. That took me to the chairmanship of the Scottish Grand Committee, travelling the length and breadth of Scotland bringing Parliament to the people. I then became Chairman of the Administration Committee, and then Deputy Speaker.

In 2000, you entrusted me with the great office of Speaker. I have been so happy to serve you, and to represent the House at home and abroad. I was honoured to be the first Speaker to pay an official visit to Poland, a country that I always hoped and prayed would be free of communism one day. Because of my political neutrality as a Speaker, I must withdraw from the natural comradeship of this place and be a little isolated in Speaker's House. I raise that point because I would like to thank my wife Mary for coming to London each week, when her natural instinct was to remain in her beloved Glasgow. Without intruding in my business, she has always been there in support, and she has done so much to make Speaker's House a place of welcome, planning and working on official and unofficial events.

Though this Parliament is at its low[illegible] ebb, I can testify to the goodness of the vast majority of members of this House. I have had the privilege, often late at night, during Adjournment debates to witness Members from every party, including minority parties, raising the problem of one sole constituent who is perhaps experiencing a health or social security problem. Those Members were using their right to question Government Ministers. Most strikingly, when working miners suffered the cruel effects of industrial diseases, there was no shortage of Members to make demands of Ministers, asking them to give those good, hard-working people compensation.

Members regularly acted as a group, showing tenacity when campaigning for those whom they represent, and those who have been denied human rights in countries abroad. Let us not forget that it was this Parliament that achieved what seemed impossible: all the political parties of Northern Ireland took huge risks in setting aside their long-held differences, and in doing so they worked with all the political parties in this House, achieving a peace that has brought harmony to Northern Ireland. It was a proud moment for me when I welcomed the Irish Taoiseach on behalf of this House, and his welcome was that given to a friend. That was this Parliament at its very best.

There are those who will remind us of our unworthy moments, but when I am asked, I will tell of the goodness that exists in this House. I will leave this House with fond and moving memories. One of those memories is of meeting a Holocaust survivor called Rosa. She came to this country in 1946 after she had endured the horrors of Auschwitz and a long forced march back to Germany. She raised her family in Britain, and she would say about this Parliament, "That building gave me my freedom." Rosa held this House in high regard for perfectly justifiable reasons. The House must work tirelessly to restore the high esteem that she saw in it. Knowing you all personally, I know that you will do that, so that the people of the United Kingdom will have, once again, a parliamentary democracy that they can regard as the best in the world.

In the work ahead, you will be criticised strongly, particularly for this sad period. When scorned, take as comfort the words that Robert Burns wrote to those whom he described as "The Rigidly Righteous":

"Then gently scan your brother man,
Still gentler sister woman;
Tho' they may go a little wrong,
To step aside is human."

Tribute to Mr. Speaker

1.8 pm

The Prime Minister (Mr. Gordon Brown): I beg to move,

That this House records its warm appreciation of the manner in which the Right Honourable Michael Martin has occupied the office of Speaker; expresses its thanks for the humanity and good humour with which he has presided over the affairs of the House at a most challenging time; congratulates him on the kindness and openness he has shown to all Members and for establishing a Speaker's conference to examine engagement of Parliament with an increasingly diverse society; and accordingly unites in sending him its wishes for a long and happy retirement upon his departure from the Chair.

Mr. Speaker, I regard it as a great privilege that it falls to me to be the first to speak to this motion, and the first to offer you, on behalf of the whole House, heartfelt thanks for your long and dedicated service to Parliament—as a Member of Parliament, a Chair of Committees, a Deputy Speaker and, of course, most recently, for nearly nine years' service as our Speaker. As is typical of you, in your remarks today you have been anxious to thank all those who have worked with you during your period as Speaker. As is also typical of you, your concern for others is reflected in the work that you have done with your wife in hosting numerous charitable events in the Speaker's House. And as again is typical of you, you ended your speech today by talking about the human rights and social justice with which Parliament is best associated, and your commitment to that as a lifelong supporter of both the rights of individuals and social justice.

Your long career and your life's journey from your roots in post-war Glasgow—no easy upbringing, no special privileges, education mainly in the hard school of life—through your apprenticeship, which you described, as a sheet metalworker and a shop steward, then via the trade union movement and local government into Parliament and on to the highest office of this ancient forum of democracy, is an inspiring story of commitment and determination in the service of your community, your party, this Parliament and our nation.

Let us remember, fellow Members, how this Speaker worked his way up. His father served in the war and was shipwrecked three times by torpedo. His mother, who brought him up, taught him that he and his community had to fight for everything they won. To leave school at 15 with no formal qualifications and then rise to the speakership of the House of Commons tells of a man of unique parliamentary abilities, and of dedication, self-belief and tireless hard work. You have known better than many in the House what it is like to grow up in poverty, and also what it takes to overcome it, but throughout it all you have remained true to your principles and proud of where you have come from.

You are a teetotaller, so you gave pleasure to others in choosing and testing Mr. Speaker's brand of whisky for which they are entirely grateful. I am reminded that in Glasgow 100 years ago, the Labour party once stood on a platform supporting your position on the prohibition of alcohol, and decided never to stand on that platform at another election.

You know Glasgow and have come up through the difficult school of Glasgow politics. You know what is said about someone appearing in Glasgow as a comedian: if they like you, they do not laugh; they just let you live.

Ask people in north Glasgow who it was who offered them comfort when they lost someone dear to them, or when they lost their jobs or had problems with housing, which you have just mentioned, or troubles with schooling. On the streets of Cowlairs, Sighthill or Barlarnock you will get the same answer: it was Michael Martin. This House should salute a Speaker who has made his constituency proud and who is hailed as a friend by people from every background and every walk of life when he walks down the streets of his constituency; a Speaker who, as he said, was born and brought up in the city that he has represented with pride for 30 years; a Speaker whose small kindnesses to hundreds of people are remembered and unfailingly appreciated, and who has brought home to thousands what Westminster at its best can do for people.

Never interested in the trappings of office, only in the concerns of the people we represent, this is a Speaker who returned to his constituency every weekend to meet the people whom he represented and who has never forgotten where he came from, always determined to hear what they had to say to him; a Speaker who, because he worked his way up with no special privileges accorded to him, can encourage and inspire young people in the same position to do the same.

It is a fitting tribute, Mr. Speaker, to your long-standing commitment to housing, which you just mentioned, from your days as a councillor on Glasgow city council to your maiden speech in the House, which referred to housing, to your work today with housing associations across north-east Glasgow, that as part of a programme of housing and care for those with learning disabilities there stands in Glasgow today none other than Martin house. It is a reflection of your work in supporting employment opportunities in Glasgow that you helped to transform a restored warehouse into City Park, a state-of-the-art office space that has provided over 2,500 jobs, thanks to your inspiration.

Perhaps it was because of your deep roots in community service that you brought to the role of Speaker your hallmark kindness and consideration, for which you will rightly be remembered with such affection. As I know myself, and as other Members in the House know, your personal concern for those of us who were bereaved or otherwise troubled, the notes and letters, and the kind words went far beyond the duties of the office of Speaker, but I am sure that to you they were just the ordinary duties of a man who cares about people.

While interns in their hundreds have for so long been able to come to and feel at home in these precincts, your initiative on craft apprenticeships, which you have just mentioned, has enabled young people from less privileged backgrounds to train here and, with skills as stonemasons and electricians, make a genuine and lasting contribution to the upkeep of this place and then go on to fulfilling careers in later life.

At every stage of your career, you have always thought first of how to extend opportunities to those denied them. You have always stood at the shoulder of those struggling to make a better life for themselves and their families. You said in your first acceptance speech in October 2000 that family was important to you and that you would endeavour to see that families were included in the proceedings of the House. Even before you were elected Speaker, it was largely due to your efforts that

the Parliamentary Commissioner approved a voucher scheme to provide child care in the House. I hope you can take great pride in some of the changes that have been made in modernising the House during your time, not least the changes to the sitting hours and, of course, the new procedures for election of the Speaker, which we will use for the first time next week.

I have spoken of your love of family. No tribute to you could be complete without mention of your children, Paul and Mary Ann, and your wife Mary, a wonderful family for whose support I know you will always be enormously grateful. They and you have much to be proud of from your nine years as our Speaker and from your 30 years' outstanding service to the House and this country. I am sure the whole House will always be grateful to you. We hope you will enjoy a long and happy retirement, and every Member in every part of the House offers you every good wish for the future. Thank you.

1.15 pm

Mr. David Cameron (Witney) (Con): It is right, Mr. Speaker, that the House has this opportunity to pay tribute to the service that you have given—for once, I can say "you" while remaining in order. I share so much of what the Prime Minister said about your record and about what you have done for your constituents and for the House. Yours was a very moving speech. Everyone could hear your passion about this place, and all of us who care about the House of Commons, Parliament and its place in public life must deliver what you said we must—the restoration of trust in the House of Commons.

It is fair to say that there have been quieter times to be Speaker, although some of your predecessors may have had cause to think they had picked even shorter straws. After all, seven of them were beheaded. You have presided over the House at a time when there has been widespread concern about an over-mighty Executive and the diminished role of Parliament. That was not something that was in your power alone to stop.

Let us be clear about the expenses issue. The whole House shares in its responsibility for what has happened in recent weeks. As you said in your remarks, it was the House as a whole—not all of us, but the House as a whole—which last July rejected many of the reforms put forward by the Members Estimate Committee, which you chair. As you noted in your statement, some of the proposals now being put forward to clean up this place are similar to the ones that your Committee recommended a year ago. Fortunately, a consensus exists in this place now to accept what it was not willing to accept then, but we all share collective responsibility for that delay, and we all now have a responsibility to restore the reputation of the House.

You have served exactly three decades in Parliament. During that time you have shown huge dedication, both in public service to your constituents and to the House itself. You have served not only as Speaker, but as Chairman of the House of Commons Commission and of the Speaker's Conference, and before that as a Chairman of Committees, member of the Speaker's Panel of Chairmen for more than a decade, and Chairman of the Scottish Grand Committee. It is a remarkable record of distinguished service, matched only by the huge dedication that you have shown to your constituency in Glasgow, starting from your period as a councillor.

As the Prime Minister said, your life story is inspiring not just to people in the House or in Glasgow, but to people throughout our country. I know you will be missed hugely in Glasgow, North-East when you stand down as a Member of Parliament. I am sure that those on both sides of the House are very much looking forward to the by-election. I can only hope that all your constituents will be as friendly to me as you have been. *[Laughter.]* I am always hopeful.

Your approach to chairing debates has been quiet but persuasive. Your decency and your kindness are clear. We saw your decency during the baby P debate last year. As for your kindness, I referred a few days ago to the advice that you gave me when I was a new Back Bencher in 2001. It was typical of your approachability to all Members, but especially Back Benchers, which you have made a personal trademark throughout your time in office. The previous Speaker, Speaker Boothroyd, was the first woman Speaker. You were the first Catholic since the Reformation to be Speaker. It is easy to overlook the change that the election of you and your immediate predecessor as Speaker signify.

I was struck by one comment that you made in an interview after becoming Speaker. When asked about the procedures of this place, you recalled some wise words of Jim Callaghan:

> "Always remember that things that are traditional shouldn't be thrown out just because they are traditional; and things that are traditional shouldn't necessarily be kept for the sake of being traditional."

That is a good principle for the reform not only of the House, but, I would argue, of every other institution in our country.

I shall end by noting another interview, this time to the "Politics Show", which provides several lessons for us all. In that interview, Mr. Speaker, you emphasised the importance of switching off from politics—in your case, by playing the bagpipes. You said that the secret of Prime Minister's Question Time was to relax and calm down and not to get psyched up. That is a piece of advice that I will perhaps one day try to take. You said also that the best way to approach colleagues in the House was to give them just enough rope before pulling them in, and that you liked to smile at Members just before you told them off. As I can see that you are smiling now, I think it is time to bring my remarks to a close. *[Laughter.]* However, I know, and we all know, that you will enjoy spending more quality time with your wife, Mary, and your beloved grandchildren. So both on a personal level and on behalf of everyone on the Opposition Benches, I wish you the very best for the years ahead.

1.20 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): Mr. Speaker, in the circumstances, it is especially generous of you to give me the opportunity to speak today, and I am grateful to you for that.

I entered this House only in 2005, and one of my most abiding memories of those first few weeks was your generosity to the former Member for Cheadle, Patsy Calton, when she came, despite the fragility of her health, to swear the Oath of Allegiance. I do not think that any of us will forget the tenderness with which you stepped from the Chair, against all convention, to greet

[Mr. Nick Clegg]

her by the Dispatch Box. It has been clear to all of us, whatever differences there might be, that personal kindness has been the outstanding characteristic of your time in the Chair—a kindness that enthused every word of what you said earlier.

As a newly elected party leader, I remember sitting with you in your apartments, talking not about politics but about our families, and I remember on another occasion watching you unveil a portrait of my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) in those same rooms. It was wonderful to listen to both of you reminisce about the journey that had taken you from almost the same area in Glasgow to public service here in Parliament.

Mr. Speaker, whatever differences there have been, you and I share a belief in the importance of our democracy. Our political institutions, as you have pointed out, have come under immense and unprecedented pressure in recent times, but democracy remains an idea that is bigger than every one of us—an idea that must be defended no matter the personal cost. I know—everyone here knows—that you gave yourself, heart and soul, to the job of Speaker. Above all, you have shown us all how to temper great authority with great kindness, and that will be your legacy.

1.22 pm

Mr. Mohammad Sarwar (Glasgow, Central) (Lab): Mr. Speaker, it is a great pleasure and a privilege to address my remarks to you in paying the warmest tribute for the service that you have provided to this House, for which we are indebted to you. I would like to thank you personally for the kindness and support that you offered me when I was elected. I believe that throughout your term as Speaker you have always had the best interests of this House at heart, and even now in leaving office, you have put those interests first.

Your election as Speaker was a great honour for you and your family, and an even greater honour for our native city of Glasgow. You began your working life as a sheet metalworker, and all your achievements are the result of your own hard work and ambition. It is a positive indicator of the society in which we live today that someone from such humble beginnings can rise to one of the greatest offices in the country.

Mr. Speaker, I was incredibly sad when you informed this House that you were resigning from the office of Speaker. That sentiment has been shared by many of my constituents who have contacted me over the past few weeks.

I would like to share with the House a few lines of an e-mail that I received from a 16-year-old constituent who visited the House last year as part of a school trip. Her name is Kayleigh Quinn, and she wrote:

"I am deeply upset that Mr Martin has been compelled to resign from his post. As someone from the same working-class Glasgow background as Michael Martin I am extremely proud of what he has achieved in his political career. The Members of Parliament who contributed to his decision ought to be ashamed."

In short, Mr. Speaker, many young people throughout the United Kingdom look to you as a source of inspiration—an inspiration that anything can be achieved through dedication and hard work.

Your distinguished predecessor, Speaker Boothroyd, is famously known for having said that there are times when she thinks that she has come a long way, and I believe that you are certainly entitled to say the same. Mr Speaker, I repeat my thanks to you once again.

1.25 pm

Dr. William McCrea (South Antrim) (DUP): Mr. Speaker, on behalf of my right hon. and hon. Friends, I would like to thank you for the privilege of being able to speak on a very important and, I am sure for you, personal and emotional day, because you have not only served this House but given excellent service to the United Kingdom. I am sure that you are rightly proud of your achievement in the political world, coming from humble surroundings right to the highest office here, as Speaker of this United Kingdom Parliament. You have also been an inspiration, and in actual fact your story is an inspiration to many young people, showing them that they can look up, aim high and accomplish even the greatest achievements, irrespective of their humble beginnings.

Mr. Speaker, you have always shown the greatest courtesy to my colleagues and me over the years, and I place on the record our deepest gratitude to you. I would also like to thank you for your acts of kindness, and your generosity will never be forgotten. Sir, you opened Speaker's House to many people who would never have gone there if it had not been for your kindness, and you invited Members from all parts of the House to go to many excellent occasions there, and for that we owe you and your good wife Mary our deepest gratitude.

I should express my personal appreciation of your taste in music, given that you invited me to participate in your excellent Burns night events on two occasions. The House will, however, be delighted to know that no performance fees were asked for or received, and therefore that can go on the public record. I did not, however, stimulate the economy by imbibing any of Mr. Speaker's whisky and, for that, I am absolutely delighted to be able to keep a very steady and good head.

Mr. Speaker, I conclude by wishing you and Mary every happiness in your retirement, and I trust and pray that you are able to leave this House with your head held high, having been the defender of the ordinary Members of this House—the Back Benchers. For that, we shall be eternally grateful.

1.28 pm

Mr. Alan Williams (Swansea, West) (Lab): Mr. Speaker, may I say what a great pleasure it was, at the beginning of this Parliament, to preside over your reselection as Speaker of this House? You were a triple-first candidate: as has been said, you were the first Catholic, the first metalworker and, unsurprisingly, the first teetotaller to occupy the Chair. You learned of your needs to protect the rights of the Back Bencher through 18 years in opposition, and I think that many Opposition Members now, having spent 12 years in opposition, particularly those in the party who governed previously, view accountability rather differently from when they sat on the Government Benches.

I well recollect my very first day in the House, in 1964, when I sat on the second row of the Government Benches. I was sitting next to Iorwerth Thomas, a 70-year-old Welsh Member, and I said to him, "Well, Iori, it must be wonderful to be sitting on this side of the House after 13 years on that side," and he thought and he said, "Yes, my boy; the sun gets in your eyes on the other side of the House." That, of course, was in the days before television and the screening of the windows.

As you said, you served your apprenticeship as Speaker doing the unglamorous work of chairing the legislative and administrative Committees of the House, and you duly became Deputy Speaker. By the time you became the Speaker of the House, you were a complete House of Commons man. You said then that the Speaker's duty was to serve the House, not the Executive, and to protect the rights of Back Benchers.

Essentially, you are also a constituency man. I was intrigued to come across a quote from Bill Walker, the former Conservative MP whom many here will remember. Bill said of you:

"He is always respected by his electorate because he speaks from the heart."

That was a touching thing for a political opponent to say, and it helps explain the affection in which you are held in your own constituency. You are an innately kind man, as we heard from one of our colleagues even in Question Time today. Since you have been Speaker, your door has been open to any Member who wants advice or guidance.

To follow on from something that you mentioned, I should say that until last July, I had been secretary of the British-American parliamentary group for seven years. I thank you, on behalf of not only that group but the Inter-Parliamentary Union and the Commonwealth Parliamentary Association, for all your work to help our endeavours to develop relationships with democracies overseas. You put an enormous amount of time into that, and it is appreciated by us all.

As Chair of the Liaison Committee, may I also thank you for your enormous support for Select Committees? They are only 30 years old this year, but they represent one of the greatest transformations in parliamentary accountability. When I became Chair of the Liaison Committee, I spoke to every Select Committee Chairman. Having served on the Public Accounts Committee, I was horrified at what I discovered was available as back-up and support to our Select Committees. I asked that a review be set up and that the National Audit Office be included in that review to ensure that it was seen as impartial.

When the review reported, you and the House of Commons Commission responded instantly. You gave the Select Committees the largest injection of support that they had received in 20 years. To ensure that such a situation never arose again, five-yearly reviews were also established so that the future of the Committees would be secure. We are deeply grateful to you for that. You have presided during two wars and the greatest economic crisis that any of us has ever seen. Throughout, you have tried to be even-handed between the Government and the Opposition and you have tried to protect the right of Back Benchers to hold the Executive to account.

Mr. Speaker, your love for and commitment to the House has never, ever been questioned. I am sure that I speak on behalf of the whole House in wishing you and your family the happiness that you deserve in retirement.

1.34 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): It gives me great pleasure to say some brief words to celebrate your work, Mr. Speaker, and to thank you for it. I do that on behalf of my hon. Friends from Plaid Cymru and, I am sure, on behalf of the public at large. I am also pleased to have agreed with everything that has been said hitherto. You, of course, are the 156th Speaker of Parliament, and you have been unfailing in your courtesy and help throughout your tenure. Almost immediately after your election as Speaker, we all became aware of a press lobby that harboured misgivings about the appointment of a one-time steelworker to such a high office. Those have not crossed my mind; my experience has been of a Speaker who has been scrupulously fair and who always had an eye on the interests of Back Benchers and minority parties.

Owing to the attention from some sections of the media, I can only imagine that at times the pressures on you and your family have been immense. Despite your vast work load, every time that I have sought a meeting with you, one has been arranged swiftly; even the odd meetings that I attended to do some grousing were unfailingly cordial and businesslike.

Speaking of grouse, I should say that I have a feather in my cap that is not shared by any other right hon. or hon. Member. A few weeks before the official opening of the Senedd building at the National Assembly in Cardiff, I received a telephone call from the Speaker's Clerk, asking whether I would visit you. I duly responded and attended as requested, having no idea why I was being summoned in that way. I entered your chambers in a quizzical mood, with no earthly idea of why I was there. I comforted myself with the thought that I had been behaving reasonably well in the Chamber and that I was probably not going to be dressed down.

When you came in, you said that, as a Scot, you were keen to make a speech in the Welsh language during the official opening ceremony in Cardiff. You asked me to write a short speech and translate it into Welsh. I did that, recorded it and gave you a tape. There followed a practice session in which you showed a mastery of the language. I recall that you said that you were keen to do a good job, because anything else would be seen as insulting. Anyway, your pronunciation was second to none when the fabled, fickle finger of fate pointed your way and you were struck down by a heavy dose of influenza. You could not attend. In the meantime, I was in the auditorium at Cardiff, awaiting my star pupil. So it is that I refer to myself as Welsh language tutor to the 156th Speaker of the House of Commons; that is probably as high as I will ever go in this institution.

You also referred to your being a teetotaller. I remember attending a meeting with you and the right hon. Member for Banff and Buchan (Mr. Salmond). At its conclusion, you brought out a bottle of whisky and, as they say in Scotland, you "poured a good one"—in fact, for my liking it was a very good one. I was drinking on an empty stomach and unaccustomed to undiluted whisky. For the remainder of the meeting, I was with the birds.

[Mr. Elfyn Llwyd]

Speaker Weatherill once said that a Speaker has no friends, but you know that that is not true. You have sincere friends in all corners of the House. It has been a privilege to serve under you. I wish you, your lovely wife Mary and your whole family the very best in health and happiness on the cusp of what we all hope will be a long, fulfilling and well-earned retirement. No doubt there will now be time enough to become fluent in the Welsh language. Pob bendith a llwyddiant i chi a'ch teulu. Diolch yn fawr!

1.38 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Mr. Speaker, I address you in your capacity as a fine Speaker of the House of Commons, a devoted Member and, if I may say so, a good friend. With others, I had the privilege of serving on the Speaker's Committee on the Electoral Commission. I remember what a trenchant Chairman you were, within your obligatory neutrality.

One of the great features of your speakership, and one that I have not noticed to the same extent under the other Speakers during my service in the House, is how you have reached out to the variegated communities that make up the great and colourful mosaic of Britain. You reached out to the Muslim and Jewish communities. I had the privilege of attending the events that you arranged to commemorate Hanukkah, the Jewish festival of lights. Apart from my occasional visits to the synagogue, I probably met more Jews at those ceremonies than I do in my normal daily activities. The ceremonies were very moving, and I very much hope that your successor will continue them, because they brought a glow and a beauty to Speaker's House.

May I, Mr. Speaker, both personally and as a Member of this House, wish you Godspeed? You have served this House extraordinarily well, and we shall miss you.

1.40 pm

Sir Nicholas Winterton (Macclesfield) (Con): Mr. Speaker, my tribute will be personal. I am, I think, the longest-serving member of the Speaker's Panel, and in that capacity, clearly, I have had a lot to do with you. Everything, from my point of view, has been entirely satisfactory. You have shown kindness, understanding, courtesy and care. May I say, perhaps on behalf of the Speaker's Panel—your panel of those who chair Public Bill Committees and Delegated Legislation Committees in this House—that the care and courtesy that you have extended to us has always been hugely appreciated? The annual reception that you give for members of your panel in your state apartments, prior to our own private dinner, is always hugely appreciated, and, as you know from the attendance, greatly appreciated by Members as well.

May I pick just one word out of the motion that was moved so eloquently by the Prime Minister—"humanity"? That has not been mentioned other than in the text of the motion. You have been a Speaker who has shown huge humanity. You have sought, on all occasions, to stand up for the interests of this House. You have sought not only to defend this House as an institution but, from time to time, to defend Members when they have rightly come to you for advice and help. Much of this is not appreciated by the people out there, which is very regrettable. I think that if people had actually got to know you as an individual—a man of kindness, a man of humanity—some of the totally unjustified criticism that has been levelled at you would never have been spoken. I deeply regret it. I think I can say on behalf of many Members of this House that I feel the criticism that has been made of you as much as if it had been made of me personally, because it was unjustified; you were not understood. The statement that you have delivered to the House today has been of immense value. I hope that it will be very widely read, because if, from time to time, this House had accepted your counsel, perhaps some of the worst criticism and the serious problems that we have faced in recent times would never have arisen.

May I say, Mr. Speaker, that my wife and I were particularly grateful to you for allowing us to use your wonderful state apartments to celebrate 60 years of combined service in this House? It was a wonderful party—a wonderful occasion—attended by Members from all parties in this House. May I add that you remained to the bitter end of what was a very long party, and you were able to do that with humour and commitment, without the stimulation of any alcohol whatsoever? That indicates the sort of man you are.

I can say personally, Mr. Speaker, that I shall sincerely miss you for your kindness and for your humanity. I believe that the record that you have left, coming from the background that you do, is one of which you should be immensely proud. I am personally immensely proud to have known you and to have served for nearly a quarter of a century on your panel of Chairmen. You are truly a magnificent representative of Glasgow. You are a wonderful family man. On all occasions, your love of family—your love of Mary and your children—shone through like a beacon. I wish you, on behalf of myself and perhaps every Member of this House, a very happy and long retirement, and I hope that our paths will cross. I wish you well.

1.45 pm

Mark Durkan (Foyle) (SDLP): Others have made the point Mr. Speaker, that you are the first metalworker and the first Catholic to be Speaker. I took my seat in 2005, so you are the first Speaker I have known. Like others, I have always been hugely impressed by the consideration and courtesy that you show to each and every Member of this House, to all the parties in this House, and to all the regions represented in this House. I can recall, on taking my seat, the warmth of your handshake and greeting, and the fact that that lasted through the manner in which you, with civility and sensitivity, received my complaints as an Irish nationalist having to recite an affirmation of allegiance, and immediately moved on to ask after people such as John Hume and Seamus Mallon—who send their salute to you today.

Mr. Speaker, you have never pretended to be a big thinker, but you are one of the most thoughtful people I have ever come across in political life. You are not a grabber, but you have the best and warmest reach of anyone in this House—a quiet reach that extends not just across party lines and regional differences in this House, but outside this House, across professional interests and across religious and faith dimensions. You have never particularly advertised that, but I am glad that you took the opportunity to reflect on some of those points today.

I think it was also appropriate that you, Mr. Speaker, addressed some of the issues surrounding recent events, and it would be inappropriate if, in the course of all these tributes, you ended up being the only person who did so. The House should receive well the reminder that you offered, and if there was a measure of rebuke in it, the House should receive that rebuke well, too. There were opportunities, and there is now an opportunity cost that the House is suffering. Unfortunately—it happens in life, and it certainly happens in political life—sometimes events, perceptions and moods conspire to result in some necessary unfairness or unfair necessity, and you find yourself in many ways a victim of that.

As you spend your retirement not just in your constituency but, I am sure, in one near me—not a constituency represented in this House, but that of Donegal North East, where I know you have such affinities and family connections—and contemplate how many people who resisted or avoided change in the past are now leapfrogging each other to be the champions of ever more change and openness, you will be able to ruminate on the adage that, in politics, irony is just hypocrisy with panache.

I want, not just on my own behalf but that of my party colleagues, to extend that tribute and thanks not only to you but, as you have rightly done, to all your staff; and to your wife, Mary, who has, with you, again in a very special and quiet way, done so much to make Speaker's House available to so many good causes, as has been said, and to use it as a special stage to recognise, celebrate and encourage young talent from all the regions represented in the House.

All Members will miss the warmth of your presence here and the consideration that you show. You are an extremely modest man. As we have heard, you are a Catholic. I am sure that as a Catholic boy of your vintage, you would have learned your catechism, which would have included lessons about calumny and detraction—what they were and the difference between them. After your experience in recent weeks, I am sure that you can give examples of both, and of how you have been on the wrong end of examples of both. However, Mr. Speaker, whatever the coverage in recent times and however hurtful it was, just remember that you, this modest man whom we respect, leave here with immense pride.

1.49 pm

Sir George Young (North-West Hampshire) (Con): May I add a brief footnote to the generous tributes that have been paid to you, Mr. Speaker? I begin by saying how very much I welcome what you said in your statement about the issue of privilege. I was delighted to hear that we are now going to make progress with it, as it does indeed need addressing.

Mr. Speaker, you may have forgotten the conversation that we had shortly after you saw off a large number of contenders for your job some nine years ago. I asked you whether, on the assumption that we were both returned in the 2001 general election, I might propose you as Speaker at the beginning of the new Parliament. We both felt that that would be a good way of healing any wounds, and you generously agreed to it.

I have been looking at what I said then, almost exactly eight years ago to the day, at the beginning of that Parliament, and I would say the same today. I referred to your commitment and long service to the House, your deep roots in the Back Benches, your earlier work on the Chairmen's Panel and Domestic Committees and your experience in the Chair as Deputy Speaker. I mentioned your genial and approachable manner, underpinned by a deep affection for and commitment to the House. I said that all those qualities struck a chord with the House. They did then, and they do today.

The Prime Minister referred to your background in the trade union movement, and I wish to mention one role related to that. It is not the role of negotiating with management, because after all you are the management, but that of shop steward. It is the role of someone whom a Member can approach for advice and comfort when they have a problem—the so-called pastoral role. I know that you have done a lot of that as Speaker, and it is an important role, particularly at this difficult time for the House and its Members. I hope that that role may continue, and I wish you and Mary a long and happy retirement.

1.51 pm

Sir Stuart Bell (Middlesbrough) (Lab): It is said, and has been said today, that the best speeches come from the heart. All the speeches that you have heard today in the House have come from the heart, Mr. Speaker, as does mine.

I have worked with you on the House of Commons Commission for all the years that you have been Speaker. I served your predecessor, and it was an honour and a privilege to serve you. I mention those passing years because in all that time, in addition to your ceremonial duties and your stewardship of this House, you have always had one thing uppermost in your mind: the well-being of 646 Members of this House. You have seen them individually and, as you are seeing them now, you have seen them collectively. You have sought to protect their interests against all the slings and arrows of outrageous fortune.

I know that you particularly enjoyed being in the Chair when votes were taking place and Members could come up to you and speak to you. Many unburdened themselves and opened their hearts to you. They knew that they were able to do so in the utmost confidence. You were their friend as well as their Speaker. In many small ways and in many large, you defended their singular and collective interests in a Parliament to which Members are elected from the Shetlands to Land's End and back again, representing different and differing constituencies but all seeking to do their duty by this House and by their constituents. For that, the entire House owes you a debt of gratitude.

You have served your nation, Sir, and you deserve our respect and admiration. There is little mean or common that you have done on this memorable scene, and we can only thank you with gratitude, wish you, Mary, Paul and Mary well, and wish you a very happy and long retirement.

1.53 pm

Dr. Richard Taylor (Wyre Forest) (Ind): As the senior of the two elected independents, it is my absolute privilege to add some words to the tributes to you, Mr. Speaker. In particular, as others have said, I am most grateful for your detailed statement, which set the record straight. Thank you, Sir, for that.

[Dr. Richard Taylor]

I should like to pick out three words and phrases mentioned in the tribute that the Prime Minister proposed, the first of which is "kindness". On my arrival, I joined some other new Members in meeting with you. I was then surprised to receive an invitation to have a cup of tea. I thought that it would be with a few others as well, but no, it was with me alone. You wanted to know whether I was feeling lonely. That was so kind and so typical of your attitude that I shall always remember it. I am still not quite sure which of my many Adjournment debates on health issues you pushed for and which were produced by the computer, so thank you for that, too.

The second word that I wish to pick out is "humanity". Your involvement with charities has been mentioned, and I remember one of the latest events, at which you opened the charity for the refurbishment of St. Margaret's. It was at the height of your stress, but you were still able to come in and speak to that charity. Your receptions for staff have also been highly appreciated. Some of my friends among the catering staff who serve us in the Terrace Cafeteria have said how much they have appreciated being involved in some of them.

The third phrase is "good humour", which includes your tolerance. The best example of that—some Members on the Opposition Benches will remember it, as we had a very good view—was at one session of Prime Minister's questions, when the Prime Minister was perhaps not at the height of his popularity. One very young Labour Whip was standing within about two inches of your right ear and very loudly orchestrating support from the Labour Benches. You put him down with a superb but very brief, tolerant and humorous set-down. That provides a hint to the person who is selected to follow you that when hon. Members are behaving like unruly schoolkids, as all too often they do, the best answer is good humour. That keeps the place going.

An attribute that has not been mentioned is your humility, Mr. Speaker. Despite everything that you have been through and overseen, you still regard your greatest privilege as that of representing your friends and neighbours at home. That is a real tribute. Thank you, Sir, very much. I wish you and your beloved family happiness in a long retirement.

1.57 pm

Mr. Bill Olner (Nuneaton) (Lab): It gives me great honour to be associated with the motion that my right hon. Friend the Prime Minister moved. It was a fitting tribute to your good self, Mr. Speaker.

Every Member of Parliament knows where they were when a new Speaker was selected. I can remember sitting on the Opposition Benches when we elected your predecessor, Betty Boothroyd, as Speaker. I remember that those on the Government Benches said, "Don't get too excited, that's the only vote you're going to win in this Parliament", and it was. I can also remember your election, Mr. Speaker. I remember the dignified way in which you approached it and quite rightly won the support of the overwhelming majority of the House. You and I come from similar trade union backgrounds, having similarly left school at 15 and become apprentices. I was not one of those whom you had to tell what a sheet metalworker was, because I already knew that before I got down here.

A word to those who wish to succeed you. One of the most wonderful things that I have done in this House has been serving on Committees. I have served on your Chairmen's Panel for a while, but I also served on the special little committee that chose Speaker Martin's Whisky. That was a real privilege, and I hope that a similar one can be afforded other hon. Members.

I know the professionalism and sincerity that you have brought to the job, and all that I wish to do is echo the words about the great kindnesses that you have shown. I will miss you as Speaker, and also as a friend. Have a good retirement.

1.59 pm

Sir Peter Viggers (Gosport) (Con): I did not expect this to be a reunion of the panel that was chosen to select your malt whisky, Mr. Speaker, but it is. I was also a member of that committee.

The right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) made passing reference to the Speaker's Committee on the Electoral Commission, which has been one of your important roles. It has been given specific tasks in relation to the commission, such as the approval of its budget, the examination of its estimates and reporting to the House. It is a carefully constructed link between an independent body and this House, and it has achieved its role very well. You appointed five of the nine members, and Electoral Commissions cannot be appointed without the Speaker's consent, effectively making your office the person responsible for such appointments.

In January 2007, the Committee on Standards in Public Life recommended a change in the emphasis of the Electoral Commission to play a more regulatory role, and the Speaker's Committee on the Electoral Commission, under your chairmanship, actively participated in the discussions that led to the implementation of the proposals. The work of the Speaker's Committee has been well respected, and I am sure that the other members of the committee and, indeed, the Electoral Commission, would wish to pay tribute to your chairmanship during an active and evolutionary time.

Being the spokesman of the Speaker's Committee gave me an opportunity to come to know you quite well, and I am extremely grateful for the courtesy and kindness that you always extended to me and the other members of the Committee.

2 pm

Mr. Frank Doran (Aberdeen, North) (Lab): Mr. Speaker, I associate myself with all the positive comments about your contribution to the House and your personal approach to the job of Speaker. I am particularly pleased to underline the comments about your attitude to the staff of the House of Commons. I know how much it is appreciated by everyone from the Clerk down to the lowest cleaner in the basement.

I want to add a little about my contact with you. I was first elected in 1987 as one of 19 new Members of Parliament in Scotland. You were one of the people who gave us most support as new, very raw MPs. In 2005, I was selected as Chair of the Administration Committee and developed a much closer working relationship with you. It is important to put on record the number of changes that have happened under your speakership.

We have been through momentous times in developing and modernising the building and the institution. As Chair of the Administration Committee, I quickly learned that most of my colleagues do not give a damn about what happens in this place as long as it works. However, it is important to record the changes that have been made.

My right hon. Friend the Prime Minister rightly mentioned the modernisation of the hours that happened on your watch, but it is also right to remember more mundane matters, such as the introduction in 2001 of IT systems for Members of Parliament and the creation of a joint IT service with the House of Lords; the modernisation of the administration of the House after the Tebbit inquiry, and the creation of the new departments, which are much more focused on services to Members rather than to the institution of the House of Commons; the creation of a new post of chief executive, for which many of us called over many years; and the development of a Members' centre, which again recognises the importance of service directly to Members.

Substantial changes have also occurred—some have yet to take effect. They include the House's agreement to establish an education centre. The will mark significant progress in the facilities that the House offers. At the moment, our facilities can cater for approximately 20,000 to 30,000 schoolchildren in a year. When the new education centre is established, we will be able to deal with more than 100,000, making this place more accessible. We are currently running a pilot scheme for subsidised travel for schoolchildren to come to the House of Commons. So far, it has been enormously successful.

The big issue that has been on all our minds in recent years, to which you referred several times in your speech, is Members' allowances. I congratulate you on the points that you made. When one reads the press, one would think that you were sitting doing nothing, but I know from my contact with you how much work you and the members of the Commission put in, not just when we experienced the problem of employing family members, or in the recent crisis of the publication of our expenses in detail, but long before that. You recognised the problems that our system posed for us, realised that, with the Freedom of Information Act 2001, things had to change, and tried to find some solution. Like you, I feel strongly about the fact that we did not accept the Commission's report to the House last year.

Recent events have made me think about the way in which we deal with expenses. My first exposure to MPs' allowances and so on came when I was a brand new Member in either late 1987 or early 1988, when we were asked to vote on our pay. I took the trade union position that a worker is entitled to the rate for the job. I found myself in the Lobby, which was jam packed, because most of my colleagues took the same view as me, pressed against the former Prime Minister and Conservative party leader, Ted Heath. I said to him, "For many years, I campaigned against your Government and denounced everything you stood for, yet here we are, shoulder to shoulder in the Lobby." He turned round and said, as only he could, "Young man, this will happen twice in every Parliament, on pay and hanging." That is the sort of leader I like. He did not just say things, he did things.

In 1971, Ted Heath's Government introduced the allowances system that has caused us so much difficulty. It was introduced after due thought and consideration and I hope that those who now deal with those matters will appreciate their importance. As a Member of Parliament representing a constituency nearly 500 miles away, I could not afford to be a Member without the allowances, and I know that you have defended that principle sincerely throughout your period of office. I hope that, when decisions are made, others will reflect as seriously as I believe that Ted Heath did when he introduced the system in 1971.

May I add my good wishes to you and Mary? Virtually everyone who passed on their good wishes talked about your retirement. I think I know you better than that. You may be leaving the House of Commons, but I am not so sure that it is retirement.

2.7 pm

Mrs. Eleanor Laing (Epping Forest) (Con): It has always astonished me, Mr. Speaker, that you almost always remember the names of every Member of the House, but I found it truly amazing when, a few months ago, you acknowledged by name from the Speaker's procession my seven-year-old son when he was lining up to watch you in your splendour. That made me realise that you appreciate that the House of Commons is not just about what happens in the Chamber, but that we all have families, people who work for us and many thousands of people outside the Chamber who make the House of Commons work. You can acknowledge them all, and they all look up to you.

Some of us—it may be a small minority—appreciate your playing of the bagpipes. It has been a great privilege to take part not only in your famous whisky tasting for producing Speaker Martin's malt—I am glad it has been such a bestseller—but in the very first Burns supper, which you inaugurated in Speaker's House. Like you, I take my moral ideas from Robert Burns. He would be proud, as we all are, that you personally have taken us a step nearer that great aim:

"Then let us pray that come it may,
(As come it will for a'that,)...
That Man to Man, the world o'er,
Shall brothers be for a'that."

2.9 pm

Mr. David Clelland (Tyne Bridge) (Lab): I want to make a personal tribute to you and your speakership, Mr. Speaker. Yours has been a remarkable journey from ordinary working-class lad from Glasgow to one of the highest offices in the land—Speaker of the House of Commons. You are a tribute to our democracy and an example to us all. You have served with dignity and distinction, often in the face of the inherent snobbery that still persists in some parts of the British establishment.

On a personal level, I thank you for your kindness to me, not least when you agreed some years ago to meet my good friend Frank Duffy and me in your apartments—I am sure you remember that. Frank Duffy is another working-class trade union activist from Glasgow, but it was Frank's father whom you admired so much, for his trade union activities in Glasgow. We were accompanied that day by Frank's daughter Carol Ann and her daughter Ella. Carol Ann was recently appointed poet laureate, and her father Frank and her daughter are very proud of that. As memorable as that appointment is, however, I am quite

[Mr. David Clelland]

sure that they will always remember with great fondness their visit to Speaker Martin's apartment and your allowing Ella to bounce on the bed.

I congratulate you, Mr. Speaker, on your term of office and thank you for your kindness. I wish you and your family a long and happy life ahead.

2.10 pm

Angus Robertson (Moray) (SNP): It is a pleasure and an honour to add my tribute to those hon. Members from all parts of the House on behalf of the Scottish National party. In this place and elsewhere you have constantly been a fair Speaker to the Scottish and Welsh, and all the Northern Irish parties in this House. Given your background in a previous political existence, as a Scottish Labour Member of Parliament, some observers opined that it would be difficult for us to have a collegial relationship during your speakership, but nothing could have been further from the truth. Your record shows your fairness towards the SNP from the Chair, which includes the selection of an excellent Speaker's malt from the Speyside region of my constituency.

Over recent years, there has been some appalling metropolitan media snobbery about your background. The SNP totally deprecates the grotesque anti-Scottish, anti-Glasgow, anti-working class caricature invoked by some London-based newspapers.

Like many hon. Members, from all parts of the House, I have had the good fortune to attend events hosted by you for visiting dignitaries, including Scottish Church leaders, and your famous Burns nights, which included your playing of the pipes. You have always been a model of good hospitality, an excellent host and a source of advice to me and my SNP colleagues, and other Members.

We are also grateful for your initiative in bringing together all the parties in the House urgently to deal with allowances and expenses. Now that you have started a genuinely all-party approach, we stand ready to play our part in the process, which you have initiated.

You and a number of other Members have invoked Robert Burns. I, too, would like to finish with some words from him:

"A prince can mak a belted knight,
A marquis, duke, an' a' that;
But an honest man's abon his might,
Gude faith, he maunna fa' that!
For a' that, an' a' that,
Their dignities an' a' that;
The pith o' sense, an' pride o' worth,
Are higher rank than a' that."

"A Man's A Man For A' That" is the appropriate verse to capture your life achievements, your attachment to social justice and your respect to all, regardless of rank or status. We wish you and Mary all the best in the future.

2.13 pm

Miss Anne Begg (Aberdeen, South) (Lab): In paying tribute to you, Mr. Speaker, I want to tell a story. I have not told it in public before, but it helps to illustrate your thoughtfulness and kindness, and may go some way towards explaining your popularity among the Back Benchers, which was never understood by many outside this place, and certainly not by many in the Press Gallery. The story dates from before when you became the Speaker, when you were the Deputy Speaker and, as such, the Chairman of Ways and Means. Today I have the chance to put it on the record. Without your help, I do not think that my progress into this House would have been as smooth and easy as it was.

I do not know whether you remember our first meeting, Mr. Speaker. It was in February 1997, at a conference in Scotland. I have to admit that when you approached me and introduced yourself, I was not sure who you were—I was vaguely aware that you were one of the Glasgow Labour MPs. As someone from the north-east of Scotland, I have to admit that my knowledge of the personalities of Glasgow Labour politics was somewhat hazy to say the least. Anyway, you obviously recognised me as a candidate in a potentially winnable seat, and this is where I have to give you credit. You realised that having someone who permanently uses a wheelchair elected to this House might require just the odd bit of adaptation and forward planning. As a result, you asked me to write to you in your capacity as Chairman of Ways and Means once Parliament had prorogued for the election and there was no longer a sitting Member for Aberdeen, South with some suggestions of what I might require.

There was a slight problem: I had no idea what I might require. I had visited this place only once before, and I did not really appreciate what the job of being an MP would entail. I had no idea how accessible this place would be, although everybody told me that it would be totally inaccessible. When people asked me, "How're you going to manage if you get elected?" I would always reply, "Well, that's not my problem. I'll be an hon. Member like everyone else, and it'll be up to the House authorities to solve that." However, the House authorities had to have some reasonable expectations and some guidance on what I might need. So, plucking something out of the air, I decided that it would be best for me to have an office that was near the Chamber, near an accessible toilet and big enough for a wheelchair to get around.

And so it came to pass. When I arrived in the House as a newly elected MP on 6 May 1997, you had done your work. While my colleagues were being given the keys to their lockers in the corridor, I was given the keys to an office. I am still in that office now, and I am not giving it up. It is near the Chamber and it is certainly big enough for my wheelchair. I have to say that it is the best office that any Back Bencher has in this place. I thank you from my heart, Mr. Speaker. Because of your kind thoughts and thinking ahead, not only do I have a great office, but I have realised that sometimes being in a wheelchair is not always a disadvantage.

That one story illustrates your foresight and thoughtfulness. You realised that action had to be taken. It is because of those qualities that you have made it possible for me to survive in this place, in what is an incredibly difficult environment for any disabled person to enter.

When I was appointed to the Chairmen's Panel, nobody thought the extra challenges of trying to get me on to the various daises in Westminster Hall and the Committee Rooms would be a problem, or least you certainly did not think so, Mr. Speaker. Again, a solution was found. I know that your leadership has made it

more likely that people with disabilities will be elected to this place in future, because I know that it is important to you. It was thanks to your intervention that addressing the under-representation of disabled people in Parliament was added to the remit of the Speaker's Conference, of which I am proud to be vice-chair.

I hope that that goes some way to showing the respect in which you are held and why many of us on the Back Benches will miss you. I wish both you and Mary good luck in your retirement.

2.18 pm

Bob Spink (Castle Point) (Ind): Much has already been said about your dignity, warmth and courtesy in this House and about your commitment to this House, Mr. Speaker. I pay tribute to you, Sir, for your expert, careful and confidential advice to hon. Members outside this Chamber, in privately helping them to deal with the important political and personal problems that they inevitably face from time to time, both here and in their constituencies. You did that for me when I was resisting the diversion of public funds to my then constituency office, which was the start of my problems with the Conservative party, which ended up with my becoming an independent in the House. Your dignity, kindness and understanding led me consistently to support you and the office of the Speaker, which I think is the duty of every hon. Member. I sincerely wish you and Mary a wonderful, happy and healthy retirement—a retirement that you richly deserve and which you have earned by your dignity.

2.19 pm

Kali Mountford (Colne Valley) (Lab): Thank you, Mr. Speaker—thank you, dear friend. I particularly wanted to be here today. Having been here from the beginning—with some difficulty, I might add—I wanted to see this particular part of your career all the way through to the end.

I wanted to be here because, right at the beginning of this part of your career, many people said that you were not the best Speaker for this House. If they have been listening carefully today, they will have heard why we all beg to differ. Having heard what everyone else has said, perhaps I should sit down, because everything has been said. But I am a politician, and I want to put my two penn'orth in.

My two penn'orth goes a bit like this. When I first came here, you were a Deputy Speaker. Your kindness and friendship towards all of us endeared you to us greatly, and, when Speaker Boothroyd said that she was standing down, I knew straight away that you were my first and automatic choice to be Speaker. I knew automatically that the warmth that you had shown to us while you were a Deputy Speaker would transfer into the post that you now hold.

Later, you asked me to be a member of the Advisory Panel on Members' Allowances, and you showed the wisdom that you have shown throughout in regard to what that job became. The House should remember that that wisdom entailed an openness that people perhaps did not see when they were writing their stories. You invited every Member of this House into your chambers. Some of their suggestions were novel, ranging from a proposal to abolish all allowances to the idea of examining the minutiae of every allowance and accounting for every penny. In the end, our panel came up with suggestions that we gave to the Members Estimate Committee, some of which were accepted, some of which were not. It has been suggested today that we have ended up with a reasonable set of proposals.

We might now say that all that is history, but throughout that process, you never said anything publicly. That is the mark of you, the man—a man I admire greatly. Sometimes, I became frustrated with you, my dear friend, because you never once said anything to defend yourself. I would say, "Oh, come on! Say something!", but you would always say, "No, Kali, this is about the House. The House is the star of this show." It was never you, Mr. Speaker, and I admire you for that so much. You never allowed anyone to try to understand you—only the House.

Here we are now, standing in judgment over you, and I hope that everyone will say that you have not been found wanting. We should all admire you very much for the work that you have done for the House. I will never find you wanting. You are indeed a great man, and a great and true friend.

2.23 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am pleased to follow the hon. Member for Colne Valley (Kali Mountford), and I wish her well personally for the future.

Mr. Speaker, it is an honour for me to be able to say a few words in tribute to you today. You made some important remarks to the House earlier, and I hope that the House will accept them with humility. The overriding task for us all is now to strengthen the reputation of the House so that our democracy can go from strength to strength. That is what makes this country the great country that it is.

Part of that democracy involves having a press that is among the most rigorously inquisitorial in the world. That is fine when it is fair and accurate, but much of the comment that has been written about you has been unfair and inaccurate. Many people outside this place see only what you do in the Chair of this Chamber, but, as Speaker of this House, you have to undertake an immense task. You have to look after all 646 Members and—as if that were not a big enough job in itself, given the individuals and personalities in this place—you also look after the many thousands of staff employed in the two Houses, as well as overseeing the many Committees, the running of the House and the finances of the House.

A huge part of your job that perhaps not many people see is the enormous amount of entertaining that you undertake in Speaker's House: lunches in, lunches out, evenings in, evenings out, dinners in and dinners out. You always undertake that part of your job with huge kindness and humility, and that is greatly appreciated by the many dignitaries who visit this place.

I would like to leave the House with just one anecdote about your kindness. The year before last, you were kind enough to invite my 78-year-old father to the state opening of Parliament reception that you held. With fear, I asked you whether you would be prepared to have your photograph taken with him, in memory of your succeeding to the office of his uncle—my great

[Mr. Geoffrey Clifton-Brown]

uncle—a former Speaker of this House. You readily agreed. When it was time to leave, however, you were busy talking to some very important people. My father said, "Leave him. He's busy", but you turned to me and said, "Ah, Geoffrey! How about that photograph?" After having talked to all those people at that reception, you remembered that one single detail. That is a mark of your kindness and your complete selflessness.

You have served this country and this House with complete selflessness, never having regard to your own interests. May I thank you for the work that you have done in this House, and wish you a long and happy retirement? In the modern jargon, I hope that you will now be able to spend some quality time with your wife, Mary, and your son.

2.26 pm

Dr. Gavin Strang (Edinburgh, East) (Lab): Thank you for this opportunity to pay tribute to you as Speaker of the House of Commons, and thank you for the courtesy that you have shown me in the Chamber. Much reference has rightly been made to the hospitality and kindness that you have shown to people in Speaker's House, and I can bear witness to that. One of my fondest memories will always be of the opportunity that you gave me to propose the toast to the immortal memory at your Burns supper.

You are the sixth Speaker I have known. The first, when I was elected in 1970, was Dr. Horace King. You have been impartial and fair to all Members of the House of Commons, from all parties. When problems have arisen, you have shown common sense and judgment. I thank you for your service and I wish you and your family well for many years to come.

2.27 pm

John Bercow (Buckingham) (Con): It is a pleasure for me to follow the right hon. Member for Edinburgh, East (Dr. Strang), whose pithy and gracious tribute will be appreciated in all parts of the House.

Mr. Speaker, Sir, we did not get off to the best possible start. I was one of the handful of Members of this House who voted against your election. Far from holding that against me, however, you proceeded to treat me with a decency and fairness for which I shall always be grateful. In addition, I am especially appreciative of the fact that, four years ago, just after the general election, you allowed me to join your panel of Committee Chairmen, which I have found to be a hugely rewarding experience.

As was observed earlier by the hon. Member for Moray (Angus Robertson), almost from day one, when you took the Chair, you were subjected to relentless snobbery and distain from a section of the tabloid press that seemed to think that the election of the son of a merchant seaman represented some kind of constitutional outrage. Sir, that was always far more of a reflection on the tabloid press that it ever was on you. [HON. MEMBERS: "Hear, hear!"] In thanking you for your unfailing personal kindness to me, to other Members throughout the House and to thousands of people beyond it, I wish you and Mary a long, happy and peaceful retirement.

2.29 pm

Judy Mallaber (Amber Valley) (Lab): I appear to be the last person to speak. I thank you very much for calling me, as I had forgotten to put my name down to speak in this debate. It was only when I was sitting here at the beginning of the tributes that I wondered whether I would have the nerve to stand up and ask to speak, having gone against all the protocol that we are meant to observe. However, I could not let this afternoon pass without making a few personal comments of my own.

I am glad that many hon. Members today have addressed head-on the issue of snobbery and the comments that have been made not only by the tabloid press but by Members of this House from time to time. I am glad that those issues have been addressed head-on, and that we have talked about expenses and the missed opportunity last year. I am pleased that you tackled that subject in your opening remarks.

In questioning candidates at the Speaker's hustings earlier this week, I commented that a substantial part of your success in winning the speakership and that big battle we had last time was that among the Speaker's team, you had gone out of your way to be helpful, kind and welcoming to new Members, particularly the great influx we had in 1997. That is not, of course, to suggest that it was a political ploy, although I would not dream of suggesting that you are not a good politician, but your approach came very naturally out of your kindness and desire to help us. That sentiment is shared across the parties, as I noted during the hustings when Members of different political parties passed comments to me about your kindness across the board. That has been greatly appreciated by us all.

I personally think it is a shame that Speakers feel that they have to retreat from the Tea Rooms and the like once elected. I hope that that will not necessarily be the case in future, because that is a good way for the Speaker to dispense advice, assistance and encouragement. You have been able to do that through invitations to your house and as we have seen you around and about the Chamber.

Others have talked about your start in the trade union movement as a sheet metalworker. My personal connection with you, Mr. Speaker, is that we both worked for the same union, the National Union of Public Employees. You were a full-time official, working with low-paid public service workers, and you campaigned at that time for a minimum wage. Although you have had to be strictly politically neutral in the Chair, I am sure that it gave you great pleasure when we were able to pass that legislation for which you had campaigned in your earlier life.

I had not realised how many of us had been on the panel to select your whisky. When I went on it, I found that another Derbyshire Member, the Opposition Chief Whip was involved, so I thought that you were saying something about our county and our enjoyment of a wee dram. My slight beef is that we were given only a limited selection from which to choose; otherwise, we could easily have stayed there for another hour or two to make sure that we made the absolutely perfect choice for you. I and clearly many other hon. Members have greatly appreciated the honour of being allowed to choose for you.

Another position that I hold, somehow, slightly to my amusement, arose when someone came up one day

and asked me whether I would like to sit on the Speaker's works of art committee. I knew nothing about it and I do not know how I was chosen. It was slightly disappointing when, having chosen our selection of Christmas cards and sent them to you, we found that some other ones had got through or that you had not gone along with *our first choice. You have always been very welcoming* and supportive. I am thinking particularly of the exhibition to celebrate the anniversary of the suffragettes, which you were very encouraging about, saying that MPs should take their constituents to look at the history of how people, particularly women, struggled for the vote. You knew that this was part of our great history of seeking democracy.

That brings me back to the major point about your high regard for the House, for Back Benchers and for our democratic processes. The greatest tribute we can pay to you and your work, Mr. Speaker, over your years as Speaker is by resolving our current problems and restoring the House and this part of our democratic system to the respect that it should have. If we can earn that respect on your behalf, I believe that it will be a tribute to the work you have done.

Thank you hugely, Mr. Speaker, for the kindness you have shown to us all and for the work you have done over the years. I join everyone else in wishing you, Mary and the family the best for the future. I am not going to say "in retirement", because we hope that we will still see you and still be able to partake of your judgment and friendship over the years to come.

Mr. Speaker: Before I put the motion, I am reminded of an incident involving a councillor who had served a long time in the Cowlairs ward, which the Prime Minister mentioned. We decided to give him a farewell dinner, at which so many good things were said about him that he stood up and said, "I didn't realise how much you liked me; and I think I will stay on." *[Laughter.]* I can say that your Speaker is demob happy. I am very touched by the tributes, particularly those to Mary and my family. I now put the motion to the House.

Question put and agreed to.

Resolved, nemine contradicente,

That this House records its warm appreciation of the manner in which the Right Honourable Michael Martin has occupied the office of Speaker; expresses its thanks for the humanity and good humour with which he has presided over the affairs of the House at a most challenging time; congratulates him on the kindness and openness he has shown to all Members and for establishing a Speaker's conference to examine engagement of Parliament with an increasingly diverse society; and accordingly unites in sending him its wishes for a long and happy retirement upon his departure from the Chair.

Business Rate Supplements Bill (Programme) (No. 3)

Motion made, and Question put forthwith (Standing Order No. 83A).

That the following provisions shall apply to the Business Rate Supplements Bill for the purpose of supplementing the Orders of 12 January and 11 March (Business Rate Supplements Bill (Programme) and Business Rate Supplements Bill (Programme) (No. 2)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption at this day's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Mary Creagh.)*

Question agreed to.

Business Rate Supplements Bill

Consideration of Lords amendments

Mr. Deputy Speaker (Sir Alan Haselhurst): Before I comment on matters of privilege, I would like to say a few words. Deputy Speakers may not take part in debates and have to be silent during them, but I wish to abandon impartiality for a moment and say that Sylvia Heal, Sir Michael Lord and I entirely endorse the sentiments expressed in the previous motion and on so many sides of the House about Mr. Speaker. Words such as "humanity", "kindness" and "generosity" are ones that we closely associate with Speaker Martin through our work with him over the years. We, too, wish him well.

I draw the House's attention to the fact that privilege is involved in Lords amendments 1 to 8 and 10 to 14. If the House agrees to any of those amendments, I shall ensure that the appropriate entry is made in the *Journal*.

Clause 1

POWER TO IMPOSE A BRS

2.34 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Sarah McCarthy-Fry): I beg to move, That this House disagrees with Lords amendment 1.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Lords amendment 2 and Government motion to disagree.

Lords amendment 3 and Government motion to disagree.

Lords amendment 4 and Government motion to disagree.

Lords amendment 5 and Government motion to disagree.

Lords amendment 6 and Government motion to disagree.

Lords amendment 13 and Government motion to disagree.

Lords amendment 14 and Government motion to disagree, and Government amendment (a) in lieu.

Sarah McCarthy-Fry: The Bill was amended in the other place on Report, so a ballot is required before any business rate supplement can be levied or any existing business rate supplement can be varied. Due to amendments 8 and 9, which we will come on to, a ballot will not be required for the BRS that will form part of the Crossrail funding package.

The Government recognise that the BRS will not work unless there is a strong and effective partnership between the levying authority and local businesses. Throughout the passage of the Bill, we have made it clear that we expect levying authorities to engage with local businesses in the development of the BRS and to continue engaging with business once the project is under way.

To provide further reassurance on this point, we committed on Report to the statutory guidance making it clear that levying authorities must consider how they will engage with businesses over and above the statutory consultation. The appropriate approach to engagement, however, will depend on the nature of the project that

BRS will be funding and the partnership arrangements that already exist between levying authorities and their local businesses. For that reason, we should leave levying authorities to work responsibly with their local businesses in developing BRS projects, rather than prescribing from Westminster how this should be done.

We should trust our local authorities. During the Public Bill Committee evidence sessions, Councillor Knight, speaking on behalf of the Local Government Association, said:

"The guarantee to local businesses that this power will not be abused is the guarantee that we are accountable to local communities. We have a direct interest in ensuring that local economies are maintained and sustained...No authority will make a decision that has a detrimental effect on its local business community."—[*Official Report, Business Rate Supplements Public Bill Committee*, 20 January 2009; c. 65-75, Q250]

The Government's position is that a ballot should be held in those cases where the supplement will fund more than one third of the estimated total cost of a project and it ensures that where businesses will be contributing a relatively large proportion of that project, they will have the power to vote on whether they make that contribution. If business votes against, the BRS will not happen. However, when businesses will contribute a smaller, although important, element towards the costs of a project, a judgment should be made locally on whether a ballot is appropriate. That is proportionate and reasonable, given that BRS revenues will contribute the lion's share of a project's funding in some cases, but a relatively small proportion in others.

Requiring a ballot, even in cases in which the supplement is funding a relatively small proportion of a project, potentially places undue emphasis on one aspect of a project. For example, a levying authority might propose to fund 10 per cent. of a project through a BRS. If the authority engaged with businesses at an early stage about the proposed project and business rate supplement and secured their support, and if that was then borne out through consultation, it would make no logical sense to require the authority to go through the process of holding a ballot.

It should be made clear that a ballot will not be a quick or cheap process. There should be no need for a ballot on a short-term business rate supplement that will fund a relatively small proportion of a project supported by business. The expense would be disproportionate, and in some cases simply could not be justified. That could result in a totally artificial discouragement to levying authorities to use BRSs in cases in which doing so would make a real and positive difference to an area.

Robert Neill (Bromley and Chislehurst) (Con): I am interested in what the Minister is saying, but I am trying to reconcile the logic of her argument with that adopted by the former Minister for Local Government, the right hon. Member for Wentworth (John Healey) on Second Reading and in Committee. Later we shall deal with BRS-BIDs—I note that the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) is present—and I am happy with the Lords amendments in question, but the earlier argument was that business improvement districts were by and large short-term projects, and that the BRS frequently related to longer-term projects. It is difficult to reconcile that argument with the Minister's current argument.

Sarah McCarthy-Fry: I am merely giving a possible example. In the broad sense, obviously we expect the BRS to be much wider and to cover a much longer period. We are not necessarily talking about relative BIDs specific to a five-year period. We could be talking about a period of between five and 30 years.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): The hon. Member for Bromley and Chislehurst (Robert Neill) may have slightly misrepresented the position taken by the then Minister, my right hon. Friend the Member for Wentworth (John Healey), who strongly advocated the policy that is implicit in the Bill as presented to and agreed by the House of Commons that there should be a ballot as long as expenditure is over 30 per cent., but that there should not be an automatic ballot in other circumstances which could, as my hon. Friend the Minister has rightly said, involve unnecessary expenditure for relatively limited benefit. The distinction between BIDs and the BRS is that the BRS is for much larger capital investment, and BIDs involve far more local schemes, which may well go on for a long time. They are not necessarily limited to five years, as the hon. Member for Bromley and Chislehurst suggested. They could last for 20 years as long as there was support for them.

Sarah McCarthy-Fry: As ever, my right hon. Friend's considerable knowledge of local government shines through.

As Lord Davies made clear, even if there is no ballot, levying authorities will not have a free rein to use the BRS to fund their pet projects regardless of the views of local businesses. They will be required to consult businesses formally, and that consultation will be over and above any preparatory dialogue in which they engage.

Dan Rogerson (North Cornwall) (LD): I am grateful to the Minister for being so generous in giving way. What reassurance can she give business that such consultation will be any different from many other recent consultations, such as the one on post office closures? Is not the problem that, sadly, consultation has become a somewhat devalued concept and that people seek a greater safeguard? Would not a ballot constitute such a safeguard?

Sarah McCarthy-Fry: The hon. Gentleman can take comfort from the evidence given by organisations such as the Local Government Association. I think that the point was made then—it was certainly made in Committee by my right hon. Friend the Member for Wentworth—that we have moved on from the old-fashioned view that local authorities just wanted to get money out of businesses and were not prepared to consult them. I hope that the hon. Gentleman is confident, on the basis of the local authorities known to him, that authorities nowadays work in partnership with business and are committed to consultation of that kind.

Businesses have a guarantee that the BRS can be used only on additional projects that are aimed at promoting the economic development of the area. As such, BRSs are limited for use on additional projects that will be relevant to local businesses. Businesses also have a guarantee on the maximum level of the supplement with the national upper limit of 2p per pound of rateable value, and a guarantee that properties with a rateable

[Sarah McCarthy-Fry]

value below £50,000 will be exempt from paying the supplement. It was right for us to include those safeguards. However, if a ballot is required in all cases, there will be a danger that financial institutions and funding partners will not be willing to commit funding when one element of the funding package is uncertain owing to the need for a ballot. That risks destabilising such funding packages, and makes the BRS a less attractive option for projects funded from multiple sources.

2.45 pm

Robert Neill: The Minister is being very generous. I hope that I shall not need to intervene again.

In the context of certainty, has the Minister seen a copy of the letter from the director general of the Confederation of British Industry dated 12 June and sent to her right hon. Friend the Secretary of State? The letter states that only mandatory ballots can give businesses the certainty that they desire. When will the Secretary of State respond to that letter?

Sarah McCarthy-Fry: I will ascertain from my right hon. Friend's office when a response will be forthcoming, but I am sure that today's debate will constitute an element of that response.

We do not want to limit the BRS as really only an attractive option for use as the sole funding mechanism for a project. That limits levying authorities in terms of the amount of revenue they can raise, and means that the BRS cannot be used in conjunction with other funding streams to fund larger, more ambitious projects aimed at promoting local economies.

The effect will be particularly pronounced outside London. Properties in the London typically have higher rateable values than those outside the capital. Under the current proposals, properties in England with a rateable value of £50,000 will be exempt from paying the BRS. That threshold will exclude a higher proportion of properties from paying the supplement outside London than in the capital, which means that outside London there is an increased likelihood that the BRS will form part of a wider funding package. Therefore, the difficulty created by the ballot in cases in which the supplement will form part of a wider funding package will be more pronounced outside the capital. That makes the BRS less attractive as a funding mechanism to promote economic development outside London.

In requiring a ballot in certain circumstances, the White Paper and the Bill go significantly further than either the Lyons review or the Communities and Local Government Committee. Both recommended that the decision to hold a ballot should be left to the levying authority.

For the reasons that I have just given, we do not think that a ballot should be required in all cases. We consider that it should be required only in cases in which the supplement will fund more than one third of the total projected costs. However, because Members in both Houses have expressed real concern that there should be genuine engagement of local businesses before a supplement is introduced, we propose that in cases in which a ballot is not required by virtue of the fact that the supplement is expected to fund less than one third of the total cost of the project, the authority should be required to set out the BRS prospectus whether or not it intends to hold a ballot, and—importantly—to explain why it proposes that course of action.

I want to make it absolutely clear that the Government do not consider that a ballot should always be held. The amendment requires authorities to state why they think a ballot should, or should not, be held. It does not ask them to justify their decision only if they decide not to hold a ballot; there is not, as such, a presumption of a ballot. For instance, the BRS might be used to fund a small proportion of a project over a short period such as six to 12 months. In such cases, the costs of running a ballot might be considered to be disproportionate, given the contribution that would be made by the supplement. If an authority wanted to hold a ballot in such cases, taxpayers, including local businesses, would justifiably be interested in its reasoning.

The amendment provides important transparency in the decision-making process relating to ballots. We think it right for levying authorities to have discretion on whether to hold a ballot when the supplement is expected to fund less than one third of the total cost of the project. However, we acknowledge that the decision-making process must be transparent to those who will ultimately be liable for the supplement. The amendment will give businesses confidence that the decision-making process on ballots will be made clear. It allows levying authorities flexibility to do the right thing by their communities while ensuring that local businesses understand why the authority has taken a particular course of action.

For those reasons, I invite this House to disagree with the Lords amendments, and commend the Government's amendment in lieu to the House.

Robert Neill: This is the first time that I have had the pleasure of doing business on local government issues with the Minister. As a member of a shadow team that has been in place a little longer than the Government team, I welcome her to her new post, and look forward to doing further business in the future.

I am sorry that we will have to start on a note of disagreement, but such is life. The Minister has set out much the same arguments in resisting the Lords amendments as Government spokesmen used in the other place. Their lordships were not convinced, and with every respect to the Minister's persuasive skills, I have to say that I am not either.

The key issue is that if the BRS is to be successful, it has to have wholehearted buy-in from, and the consent of, the business community, otherwise it will not achieve the stated objectives. It is well known—I repeat this point merely for the record, without elaborating on it—that the official Opposition would not have introduced a BRS at this time in an economic cycle, in the midst of a recession; the only exception in our case was the Crossrail project. That point has been well rehearsed and well debated, but I mention it to set the context. At a time when businesses are under more pressure than ever, the introduction of BRS—and without a ballot—would in our judgment be an unjustified and unduly onerous imposition on them. Businesses are already struggling; they are finding cash flow ever more difficult, and the costs of borrowing money to meet cash flow and other requirements are ever higher.

It is also important to remember that their lordships rightly debated this change not in isolation, but in the context of BRS together with other potential burdens on businesses. If we add in the cumulative burdens of a revaluation of the standard, ordinary business rate, never mind the BRS, and the possibility of extra parking charges and other levies, we see that there is a danger of the straw breaking the camel's back. That is why it seems to us that if there are to be BRS projects, it is only right and fair that businesses should have a chance to vote on that; otherwise, they will be caught in the invidious position of having a form of taxation without representation.

We will in due course move on to discuss amendments in relation to what are called joint BRS-BID levies. The only reason why I mention that at this stage is to own up to being a convert to BIDs. I was sceptical about them when they were first introduced, but I am now persuaded that they can be very successful. There is a key difference, however, in that for BIDs there is always a ballot of the businesses that are going to participate. That is an important lock in terms of both accountability and improving the scheme. That is not just the view of politicians. When the Bill was previously before this House, the Committee conducted some useful pre-legislative scrutiny evidence sessions. The evidence from the various business organisations was overwhelmingly to the effect that, whatever their views about introducing a BRS scheme at this stage in a recession, if there was to be added value it was crucial that there should be a mandatory ballot.

That point was made by a number of highly experienced Lords in the other place, and it has been reinforced by the CBI very recently. I previously asked the Minister about a letter from Richard Lambert, the director general of the CBI, to the new Secretary of State. In the context of the amendments, Richard Lambert states:

"You will not be surprised to hear that the CBI welcomes these changes. In 2007 the six hundred businesses that make up the CBI's nine English regional councils agreed that CBI should support the principle of business rate supplements."

They are not coming at that from a Conservative party political point of view; I disagree with them on that particular issue of principle. The letter goes on to state, however:

"They felt that if there is a need for new local infrastructure businesses should be able to contribute, where they see real value. However, there was overwhelming belief that this would only be acceptable if businesses had the safeguard of a mandatory ballot. This would ensure that supplements were affordable and only used for projects that would genuinely stimulate local economic activity."

In relation to the Lords amendments that we are debating, the letter states:

"In its amended form the Bill provides far more certainty for businesses about their long-term rate liabilities, whilst still enabling local authorities and business to work together to fund and deliver new infrastructure projects. In the current recessionary climate such improved certainty is absolutely essential. Government now has a real opportunity to demonstrate its commitment to helping businesses by allowing the changes voted through in the House of Lords to remain a part of the Bill".

I could not have put it any better. That is a persuasive case from the CBI, representing thousands of businesses, and it looks as if the Government are persistently turning a deaf ear to those arguments.

Certainty certainly relates to funding streams, but there must also be certainty for the businesses that are going to have to pay. The limit of 30 per cent. is in every respect an arbitrary one, because it is a question not just of the percentage that is funded, but of the amount that will fall to be paid by individual businesses. As has rightly been said, the nature of BRS schemes can vary. Some will be large, and some small, but as the Minister interestingly, and I suspect correctly, said, many involve significant capital expenditure. Even 20 per cent. of a very large scheme is a significant potential burden on businesses at a time when they can ill afford such cost burdens. That point appears to be missed.

I am sorry to have to say that the Government are also unwilling to seek greater business involvement. On Report in this House, there was a great deal of discussion about the possibility not only of having a safeguard for businesses through the mandatory ballot, but of mechanisms to ensure their greater participation in the development and ongoing oversight of BRS schemes. Ministers—previous Ministers, I hasten to add—uttered warm words about that. They said they would look at it, but nothing has emerged. I hope it may yet do so, but that does not give us much confidence that the Minister's words about wanting to encourage participation between local government and business are actually going to be met with action.

That is a profoundly disappointing stance for the Government to take, so it is important to set in place greater certainty for business than the Lyons review set out, precisely because of the potential impacts on business. If a package had been developed that gave businesses greater safeguards, perhaps their lordships would have come to a different conclusion, but it has not been developed, and given the history of how this matter has been debated—we will come on to another piece of history in respect of a later group of amendments—I do not have confidence that warm words will be met with action.

Against that background, I am sorry to have to say that we have to maintain that the Government have misjudged the mood and misread the evidence, and that if they disagree with the Lords they will make the Bill worse than when it came back to this House from the other place. That will be a missed opportunity and a great let-down, and it will send precisely the wrong signals to businesses in this country at the current time.

Mr. Raynsford: It is a pleasure to follow the hon. Member for Bromley and Chislehurst (Robert Neill). He referred in his opening remarks to his longevity in his post in comparison with my hon. Friend the Minister, who has just assumed her post. I agree, and I wish him even greater longevity in his current post in opposition. He argued initially that my hon. Friend the Minister used the same arguments as the Government had used in the Lords and that the Lords had disagreed with those arguments, and he offered that as a reason for going along with the Lords' position. What he failed to say was that the Minister deployed exactly the same arguments as her colleagues in the Commons did when this matter was debated here—and the Commons agreed with the Government, not the Opposition. Thus, we have a classic situation where the Commons has taken one view and the Lords has taken another, and I believe that the elected Chamber should prevail in those circumstances.

3 pm

The Opposition argue that the business rate supplement is an inappropriate tax to introduce at this time, except in respect of Crossrail. We have heard before that classic illustration of the woolly thinking of the Opposition. If ever there was a scheme that involved a considerable imposition on the business community, it is Crossrail, which is a large and expensive—£16 billion—scheme. The BRS will make a significant contribution to that, albeit less than a third, and payments by business over many years will be involved. If the argument is that this is the wrong time for business to be making a contribution towards infrastructure investment, that argument certainly applies to Crossrail.

Of course, as the hon. Member for Bromley and Chislehurst knows perfectly well, business is supportive of Crossrail, rightly believing that the scheme is good for London, for Britain and for business, because it will create the circumstances that will enable economic growth to continue in London. That is why business is wholly supportive of Crossrail. Is it really credible to say that there are obvious benefits that business wants and welcomes from infrastructure investment, such as Crossrail, here in London, but that no such other investment that might be appropriate may be possible anywhere else in the country?

Robert Neill: I thank the right hon. Gentleman for giving way with his customary courtesy. How does he reconcile the fact that the very same business organisations that support Crossrail also say that there should be a mandatory ballot anywhere else? It is because they know that Crossrail is a unique project that has been uniquely discussed among people in London.

Mr. Raynsford: I must say to the hon. Gentleman that there is a total inconsistency in arguing that Crossrail is a good thing and should be supported without a ballot—we must remember that the business community is saying that there should be no ballot on Crossrail, because it is a relatively small element in the total funding package—and that that logic can apply in London, but cannot apply anywhere else. There is no sound logical basis for that particular case.

The logic behind having the BRS to support major infrastructure lies in the economic development potential. That is why the Government have introduced this measure. It is clearly right that if local authorities believe there is a case for a BRS, be it here in London or elsewhere, they should discuss the options with the business community and proceed only where there is clear, strong evidence that there are clear and definitive economic benefits. That is what I would expect to happen. The extent to which the business community is supportive of Crossrail in London is, of course, very much the product of the discussion that has occurred involving London's business organisations, such as London First. They have long campaigned for Crossrail and clearly take the view that it should be supported by a BRS. They recognise that far from improving prospects and certainty, a ballot could be very damaging.

The hon. Gentleman argued the case for certainty, but I put it to him that the one thing that would be utterly damaging to Crossrail would be to say, at this point in time, "Oh well, there has to be a ballot. We don't know what its outcome will be." That would lead to inevitable uncertainty about the funding of this hugely important project. He recognises that and business recognises that. That is why business is saying that in the case of Crossrail there should not be a ballot. It is not just business or people who recognise the importance of Crossrail who are saying that; the Conservative Mayor of London, Boris Johnson, is adamant that Crossrail should proceed with a BRS and without a ballot.

Robert Neill: Will the right hon. Gentleman add, for the sake of completeness, that the same Mayor of London says that although he thinks that that applies to Crossrail, he has no desire for it to apply anywhere else?

Mr. Raynsford: The hon. Gentleman will know very well that the Crossrail BRS levy will be in place for some 20 years. I think that Boris Johnson, however ambitious he may be—he probably has ambitions to take over the leadership of the Conservative party in this place—will certainly not be in place for more than 20 years as Mayor of London. There is no question of any other BRS case coming forward in London, because the Crossrail BRS will take in full the maximum amount that is eligible to be taken from BRS under the legislation. No wonder the Mayor is able to take that view in the case of Crossrail and London. The overriding logic is that what applies in the case of London should apply to other parts of the country.

I have argued about the issue of certainty. I agree entirely that certainty is important, but where the discussion is about a relatively small contribution towards a major project that is being supported much more substantially by other bodies, it would be perverse if an uncertainty about the outcome of a business ballot could jeopardise the prospect of that investment taking place. So the argument about certainty cuts the other way in cases in which there is only a small contribution from the business community through BRS and the project is being overwhelmingly funded by other sources. That is the reason for saying that if a relatively small contribution is involved, a ballot should be optional, rather than compulsory. There is no question of saying that there should not be a ballot—if the local authority believes that it is right to have a ballot, it should have the option to hold one—but it should not be obligatory. I believe that it is right to leave an element of discretion to local government in this respect.

We have heard a great deal from Opposition Members about giving more freedom to local government, but the hon. Gentleman is now trying to support the other place in imposing shackles on local government and not giving it the discretion in these circumstances to determine whether a ballot should apply. He may or may not recall—I certainly do—the evidence given to the Committee by Local Government Association witnesses. They said that there should be no ballots in any circumstances. I do not agree with that view, and I believe that those witnesses were wrong on that, but I just remind him about listening to local government and giving it appropriate discretion within reasonable bounds. I believe that the Bill does that, that this House was correct to support the Bill in its original form and that the Members of the other place were wrong to make their substitutions with their amendments, and I hope that this House will reject the Lords amendments.

Dan Rogerson: I am experiencing déjà vu, albeit that some of the faces have changed; I, of course, welcome the new Minister. Unlike the hon. Member for Bromley and Chislehurst (Robert Neill), I have had the opportunity to do that, even if I have not done so formally, in Committee, where we have been discussing another measure that affects local government.

The Conservative party's position, as set out by the hon. Gentleman, is that the BRS should be capable of being applied only in London for Crossrail. Throughout this debate, which is ongoing because a different conclusion was reached in another place, my party has said that it thinks that the BRS should be available to local authorities in other areas. However, given that these projects are likely to come forward as newer ideas and newer schemes that have not had the same amount of debate, and public and legislative scrutiny, as Crossrail, we feel that to give business confidence that its contribution is taken seriously a ballot is appropriate in all circumstances.

There are, thus, three positions on this matter—four if we take into account the position of the Local Government Association, as set out by my friend Councillor Knight, with whom I agree on all sorts of other issues. He does an excellent job as a local authority member on London, but I disagree with him on this occasion. Those four positions are: that there should be a ballot in no circumstances; that there should be no BRS beyond London and in respect of Crossrail; the Government's position that the BRS should be available but that a ballot is not necessary in all circumstances; and the Liberal Democrats' view, which has been agreed in another place, that a BRS is a useful tool and part of the package needed to move towards economic recovery in areas where infrastructure could play a big role in turning the economy round and that business would benefit from that, but that to demonstrate publicly that business supports a project, a ballot is necessary. I agree with the conclusion reached in the other place, and indeed my colleague and I put those arguments in Committee—and many hon. Members demonstrated their support on Report.

There are differences between the imposition of a further supplementary rate on business and the current situation in which businesses do not, in normal circumstances, get a say on the rate that is levied on them as a contribution to local services. We debated that in Committee at some length. We are asking for a further levy on business to fund specific proposals, and in those circumstances it is right to have a public debate—the consultation to which the Minister referred. It is clear from the information provided to us by representative organisations that the consultation is not felt to be enough—the matter should not end there.

We have discussed—and will again later—the BIDs system, which the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) introduced in his time in government. All hon. Members have been impressed by its successes around the country. The evidence provided to us before our detailed consideration in Committee of the success of BIDs and the contribution they make to their communities was one of the best presentations I have seen. It is appropriate to have a ballot in all circumstances when a BID is proposed. Consultation will have taken place and local businesses will have given their agreement in principle, but a ballot is still crucial. Therefore, it is strange to argue that in the case of BRS, a ballot may be inappropriate in some circumstances.

Mr. Raynsford: In most BID cases—I cannot say all, because I am not sure of the precise figures—the BID levy is far and away the largest contributor to the BID project in the area. Voluntary contributions may be made by some property owners or the local authority, but the BID levy is the largest single part. Obviously, if the BRS is the largest single part of any scheme, there will be a ballot. That is the distinction. It is only in cases in which the BRS contribution is a relatively small part of the total that local authorities will have the discretion about whether to hold a ballot.

Dan Rogerson: Clearly, that is the Government's argument—that it is possible to have a threshold beyond which the impact on businesses is not sufficient to necessitate a ballot. I do not agree. We could get into an argument about the right point for that threshold, but—as we have argued throughout—a ballot sends a much stronger message to business that the public sector, local government and the private sector must all engage with projects that will make a positive contribution to the future of an area. It is a clear and established system, and business is used to the BID ballot. It is much more simple and straightforward to say that a ballot would be held in all circumstances. For that reason, I am pleased that the other place accepted this amendment and I hope that this House, having considered the arguments expressed in Committee, which were ably supplemented in the other place, will accept that it got this wrong last time. We need to revisit this issue, and I hope that the Government will be slightly more flexible and agree that this scheme, which could make a real difference to communities around the country, should go forward on the basis of a ballot in all circumstances.

3.15 pm

Sarah McCarthy-Fry: I thank the hon. Members who have contributed to this debate. I am sure that the hon. Members for Bromley and Chislehurst (Robert Neill) and for North Cornwall (Dan Rogerson) will not be surprised to hear that they have not managed to persuade me with their arguments.

The amendment concerns a discretionary power to be used by levying authorities of the business rate supplement, and levying authorities will be required to carry out a cost-benefit analysis of any proposals and to demonstrate the relationship between the costs and the benefits. We have already made the commitment that the statutory guidance will make clear the importance of levying authorities involving business in the development and throughout the course of the project.

The crux of the argument is whether it is right that business should have a veto on a project for which it is paying only a small percentage of the cost, but which has the support of the local authority and of others who are not in large businesses but will benefit from the project. That is the heart of the issue.

The amendment in lieu goes a little further, and would allow levying authorities the flexibility to do the right thing. It would also enable local businesses to understand why a local authority has chosen to hold a ballot when not required to do so—because of the 33 per cent. limit—or chosen not to do so.

[Sarah McCarthy-Fry]

I was a little confused by the contribution from the hon. Member for North Cornwall, especially his disagreement with Councillor Knight, who gave evidence on behalf of the LGA. The LGA's position was that there should be no ballot under any circumstances, and that the guarantee to local businesses that the power will not be abused is accountability to local communities. I thought that that was the Liberal Democrats' position and that they wanted to devolve decision making to local communities. It must be very confusing for voters when they hear one thing espoused in the House of Commons and a completely different view—

Dan Rogerson: We want to see far greater tax-raising powers devolved to the local level, but this issue involves a specific levy on business rate payers, and in those circumstances there should be a ballot. It is essentially a democratic measure, which we support at whatever level.

Sarah McCarthy-Fry: Nevertheless, the fact remains that the hon. Gentleman takes a totally different view from a fellow Liberal Democrat. Indeed, the LGA does not stop at not wanting a ballot. It also wants to raise the limit to 4p and for local authorities to have a free hand to decide what to spend the money on. The Select Committee also said that we should leave ballots to the discretion of local authorities.

The amendment in lieu creates the right balance. It would require a ballot if the contribution were more than 33.3 per cent., and introduce the additional safeguard that the local authority will have to set out in the prospectus its reasons to hold, or not hold, a ballot.

Question put, That this House disagrees with Lords amendment 1.

The House divided: Ayes 267, Noes 219.

Division No. 152] **[3.18 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, rh John
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Horn, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Iranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Macteggart, Fiona
Malik, Mr. Shahid
Malleber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Pickthall, Mr. James
Pope, Mr. Greg

Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Field, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Willetts, Mr. David
Williams, Mr. Roger

Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Bill Wiggin and
Mr. Stephen Crabb

Question accordingly agreed to.
Lords amendment 1 disagreed to.
Lords amendments 2 to 6 disagreed to.

Clause 16

INTERACTION WITH BID LEVY

Sarah McCarthy-Fry: I beg to move, That this House agrees with Lords amendment 7.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss Lords amendments 10 and 15.

Sarah McCarthy-Fry: The amendments in this group were Government amendments, tabled in the other place. They relate to property owners in business improvement districts in areas where a business rate supplement is in place. The amendments arose as a result of debates very early on in the life of the Bill, and I hope that hon. Members will find it useful if I take a step back for a moment and recap on how the amendments emerged. That will help to provide some context, so that hon. Members can see the rationale for the approach taken in the amendments.

One of the things that struck me as I familiarised myself with the issues raised by the Bill is the genuine cross-party support for business improvement districts, and that has been reinforced this afternoon. There was real concern that the introduction of the BRS might have a negative effect on the future viability of BIDs. I understand that one of the main concerns of BID practitioners and business supporters of BIDs is that if BID levy payers face a BRS on top of any existing levy, rate payers may be inclined to vote against BID proposals when they come up for renewal. That is a particular issue in London, where, I gather, 14 of the 20 existing BIDs will come up for renewal ballots by 2012.

As a way of addressing those concerns, my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford), whose expertise on such matters is legendary, tabled amendments in Committee and on Report to give property owners more of a say in BIDs and to enable the contributions to a BID to be spread between occupiers and owners. That could act as an effective offset for occupiers against their BRS liability. Although those amendments were withdrawn, they provided the opportunity for the House to have a meaningful debate on the issue, and the previous Minister for Local Government, my right hon. Friend the Member for Wentworth (John Healey), agreed to discuss the matter further with interested parties. Baroness Valentine tabled amendments on the same issue in Grand Committee in the other place on 18 May. The purpose of those amendments was to enable BID proposers or companies to decide whether property owners should be involved in, and have a chance to vote on, BID proposals for an area.

The amendments moved by the Government in the House of Lords on Report addressed the same broad issues as the amendments tabled by my right hon. Friend the Member for Greenwich and Woolwich and Baroness Valentine. The amendments that we are considering make arrangements for a new type of BID, to be known as a BRS-BID. It has that acronym to distinguish it from the current BID arrangements. That new type of BID could be established in areas where both a BID and BRS exist, and would allow for the owners of property to be involved in BID arrangements. It will be for those proposing BIDs, or existing BID companies, to decide whether they wish to involve property owners in their BID arrangements. Where they wish to, they can, but it will not be compulsory to do so.

The amendments enable revenues from property owners to be used as additional income for a BID project, or to be used to offset the contributions of those rate payers who are liable for both the BID levy and the BRS. The amendments also offer flexibility; the revenue stream from property owners could be used to fund a different project, quite separate from the BID project. Where BID companies or those proposing BIDs elect to involve property owners, there must be a ballot of those potentially liable for the levy. It will not be possible for a BRS-BID to be established unless there has been a successful ballot on the proposals. That mirrors the current arrangements for BIDs.

In crafting the amendments, we have taken on board many of the views expressed both in this House and the other place, and the views expressed by those with an intimate knowledge of the existing BID system. However, property owner involvement in BIDs is new territory, and it raises a number of complex and detailed issues that will need to be resolved before BRS-BIDs can come into being. The new schedule 2 contains a number of powers that will allow the Government to include the detail on the BRS-BIDs in secondary legislation. The regulations will deal with issues such as who should be considered a property owner, how the rateable value of non-domestic properties should be attributed to property owners for the purposes of the double-lock ballot, and the detailed arrangements for ballots. We will consult on the detailed arrangements needed to enable BRS-BIDs to be put in place.

One concern that was raised yesterday in the other place was about the impact that the amendments could have on billing authorities, which will play a key part in BRS-BIDs. I can reassure the House that the consultation that we will carry out will be accompanied by an impact assessment, which will address the potential impacts on different sectors, including billing authorities. The consultation will give stakeholders the opportunity to make their views known, including on the impact assessment, and we will consider carefully all responses before finalising the regulations that are needed before BRS-BIDs can come into operation.

I should clarify one specific point. I have already said that the amendments can apply only in those areas where a BRS is in place. There has been a debate in the other place about whether it would be possible to extend the provisions to BIDs in all areas. I understand the argument that, if these amendments are good enough for BRS areas, they should be good enough for areas where a BRS is not in place. It may be helpful if I clarify the position.

We have pursued the matter with the House authorities, who have confirmed that it would not be possible to include amendments to the Bill to deal with the inclusion of property owners in BIDs outside a BRS area. The issue centres on whether an amendment would be relevant. The Bill has a single purpose, which is to introduce the BRS scheme. The Bill refers to BIDs, but only to the extent that they are affected by the introduction of BRS. However, any stand-alone amendments to the BIDs regime, unconnected to the introduction of BRS, would not be considered relevant.

The principle behind the amendments was warmly welcomed by the other place and was widely supported by the House during the earlier stages of the Bill. The Government listened to the representations that were made, both from within Parliament and from outside, and agreed with them. That is why we introduced the provisions in the other place. Taking that into account, and with the explanation that I have given, I invite the House to agree to the amendments.

Robert Neill: I am glad to say that on this occasion, there is a degree of consensus. As those who served on the Bill Committee know, the Opposition parties were very interested in the proposal from the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), and I am delighted to see that it has broadly appeared in the amendments. That is progress.

The Minister is right to say that some detail may yet need to be bottomed out, but the concept seems to deal with a potential anomaly. I wish the Government had been persuaded of the fact that the benefits of BIDs, which I endorse, include a ballot in all cases. It is ironic that this set of amendments includes a compulsory ballot. I wish that were a general application. It is a step in the right direction.

I hope that when the Minister replies, she may be able to tell us the time frame for the consultation and how we can ensure the maximum ability to make changes in the regulations that will set out the guidelines, and so on. I am conscious that although their lordships welcomed the proposals, they expressed some concern about the size and complexity of very late amendments to the Bill. That is no fault of the right hon. Gentleman, who has been a proponent of BIDs, but it made for some interesting overnight reading of the *Official Report* of the other place.

I hope the Minister will take on board the comment that if we are to get it right, we must have the ability to revisit matters of detail that may not yet have been completed. I welcome the overall attempt to plug what might otherwise have been a weakness in the legislation. We support the amendments.

Mr. Deputy Speaker: I now have to announce the result of a Division deferred from a previous day. On the motion relating to external service, the Ayes were 305 and the Noes were 160, so the Question was agreed to.

[The Division list is published at the end of today's debates.]

Mr. Raynsford: I congratulate the Government on agreeing in another place this series of amendments, which provide a satisfactory and elegant solution to a real problem, which was the potential adverse impact of BRS on BIDs in areas where BIDs are in existence or due to be brought into existence in the foreseeable future, and where a ballot could well have been lost because those paying the BRS levy might have decided that it would not be fair for them also to have to pay an additional levy to support the BID.

I shall not go over the history. My hon. Friend the Minister explained that it was a subject of considerable debate in the House earlier this year when we first considered the Bill. The amendment introduced in the Lords goes further than the one that I moved, and I welcome the way in which that has been improved. Specifically, it tackles the issue of areas where BIDs are proposed but not yet in existence, whereas my amendment was limited to areas where BIDs were in existence. I recognise that that was a defect, which the hon. Member for North Cornwall (Dan Rogerson) highlighted in the debate in the House.

I acknowledged that at the time so I am delighted that the Government have found a formulation that allows the new provision to cover areas where BIDs are proposed but not yet in existence. It also includes provision to reassure tenants that the owner levy will not be passed on to them through rent. Again, that was a cause of some concern among BID levy payers—that the landowner would try to pass on the full cost of the landowner levy.

3.45 pm

The Government have addressed the issue in a manner that has improved the amendment, which we debated a while ago in this House, and I very much welcome what is now in the Bill. I add one caveat only, on an issue to which my hon. Friend the Minister referred: the need at some stage to consider extending the provision to cover those areas where there is not a BRS, but where BIDs exist. The principle of landowners contributing to BIDs has been an issue since BIDs were introduced in the early years of this century. We had a debate at the time, and some parties strongly advocated the adoption of the American system, whereby the property owner rather than the tenant pays the levy. I, as the then Minister, believed that creating the register of landowners would have caused substantial upheaval and set back the process, and could have resulted in many abortive costs arising in areas where the register had to be compiled despite there being no proposal for a BID.

Given those circumstances, it seems sensible to proceed on the basis of the existing rating system in this country, where the tenant pays the business rate but owners are encouraged to make voluntary contributions. Some have but others have not, and there is a natural worry about freeloading, whereby substantial property owners in a particular area get the benefit of improvements that a BID brings but do not contribute towards it. The issue still exists, and, although I fully understand my hon. Friend's reasons why, within the remit of the Bill, it was not possible to extend the provision before us to other BID areas, the problem will need to be considered again. I hope that the Government will, in due course, find a suitable legislative vehicle to allow the same formulation to be applied more generally to all BIDs. With that one caveat, I greatly welcome the amendment. It has made an important improvement to the legislation, and it will enable BIDs to continue successfully in many areas where they have made a big impact and whose existence might otherwise be threatened by the introduction of BRS.

Dan Rogerson: It is a pleasure to follow the right hon. Member for Greenwich and Woolwich (Mr. Raynsford). He has pursued the issue keenly throughout the Bill's passage through both Houses, and there is an element of unfinished business in it for him, given that he presided over the introduction of BIDs and, along with many others, has been an advocate of them during our deliberations. He was keen to ensure that the proposed changes—the involvement of a BRS system, too—would have a positive rather than negative impact on BID areas, because there was a danger of conflict between the two systems.

The previous two contributors discussed anomalies and particular situations, and, as the right hon. Gentleman said, we are not quite there yet. It would have been good to tidy up the situation in which a BRS is not imposed, but, despite his attempts in Committee to do all sorts of things, such as amend the title of the Bill, which was necessary at the time, it has not quite been possible to resolve that particular situation.

I also note that the right hon. Gentleman was slightly more supportive of the work that their lordships put into this element of the Bill than he was of their work on the previous one, but I leave that to the House to decide. The House has obviously had the opportunity to vote again on the issue, but I merely note in passing how I think that they were right on the previous issue and right on this one.

I am pleased to see that the hon. Member for Bromley and Chislehurst (Robert Neill), in his usual friendly and positive way, seeks to contribute to resolving the issue before us, although it presents him with a slight challenge, given that he is technically approving the imposition of BRS in other parts of the country but his party has said that it does not do so. With that comment set aside, however, we can all support the fact that the provision presents a solution—albeit slightly inelegant—to a problem and takes us further forward. We will all be watching keenly to see how BID areas make progress and, I hope, do even more to benefit their local communities and the business communities within them.

Sarah McCarthy-Fry: I just want to respond quickly to the hon. Member for Bromley and Chislehurst (Robert Neill), who asked when we would consult on regulations. As I explained, these are complex issues but we hope to begin consultation in the autumn. I thank the hon. Gentleman and the hon. Member for North Cornwall (Dan Rogerson) for their support.

Lords amendment 7 agreed to, with Commons privileges waived.

Clause 27

SPECIAL INTRODUCTORY PROVISION

Sarah McCarthy-Fry: I beg to move, That this House agrees with Lords amendment 8.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendment 9.

Sarah McCarthy-Fry: These amendments were brought forward and accepted by the other place to exempt, in all circumstances, the Greater London authority's proposed BRS for the Crossrail project from the requirement for a ballot. The amendment originally accepted by the other place in its Grand Committee was tabled by Baroness Valentine. In response to the amendment, Baroness Andrews said, on behalf of the Government:

> "I have listened to the repeated calls in your Lordships' House and during the passage of the Bill in another place for an exemption for Crossrail. I certainly agree with the argument that it brings major benefits across the capital, commands wide support, and is already underpinned by an Act of Parliament. Therefore, with the agreement of the Committee, I would like to accept the noble Baroness's Amendment"—[*Official Report, House of Lords*, 18 May 2009; Vol. 710, c. GC532.]

On Report, the Government tabled further amendments to adjust the original one; essentially, they were technical amendments to bring the new provisions into line with the rest of the Bill and remove the scope for legal uncertainty. The amendments achieved the objective accepted at the Grand Committee. At the same time, the Government also took the opportunity to extend the exemption from the ballot requirement for the proposed Crossrail BRS to cover the additionality requirement in clause 3 of the Bill, rather than leaving that provision to be made later on in regulations, as the Government had indicated was their intention. Amendment 8 therefore exempts the GLA's proposed BRS for Crossrail from the requirement for a ballot and the need to meet the additionality test in the Bill.

The Government's amendments were unanimously supported by all sides in the other place. The amendments provide important protection to the progress of the Crossrail project and crystallise the position on ballots for the BRS that will make up an important element of the Crossrail funding package and enable the Government to clarify the position on additionality earlier than would have been the case had the exemption been set out in regulations. For all those reasons, I invite the House to agree to the amendments.

Robert Neill: This is one issue on which there was unanimity during our previous considerations; everybody wanted to make it clear that they supported Crossrail and the BRS as part of a settled package for the Crossrail funding mechanism. The amendments remove an ambiguity that none of us wants, so one need not say much more about the matter, save that we support the amendments.

Dan Rogerson: I echo the comments just made by the hon. Member for Bromley and Chislehurst (Robert Neill). During the passage of the Bill, different parties sought in different ways to propose amendments, to highlight the fact that we felt that Crossrail was a scheme of a particular nature and that it had had a great deal of attention in the past. The debate on ballots and so on should not apply to Crossrail in the same way, and the distinction is helpful. I remain sad, of course, that the House did not vote to retain the amendments in another place about ballots more generally, but I am happy to accept these amendments.

Lords amendment 8 agreed to, with Commons privileges waived.

Lords amendments 9 and 10 agreed to, one with Commons privileges waived.

Clause 29

REGULATIONS ETC.

Sarah McCarthy-Fry: I beg to move, That this House disagrees with Lords amendment 11.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendment 12, and Government motion to disagree.

Sarah McCarthy-Fry: As right hon. and hon. Members are aware, Lords amendments 11 and 12 are intended to prevent the BRS from being levied retrospectively as a result of a change in the rating list.

Before I move on to the substance of the amendments and the background to them, I want to emphasise some key points about the Bill and what it provides for. The first BRS cannot be levied until 1 April 2010; nobody can have any liability for a BRS in respect of any day earlier than that; while we know that the Greater London authority intends to levy a BRS for the Crossrail project, as was discussed in the other place, other levying authorities do not have plans to levy a BRS but have welcomed the power to do so in the future; the £50,000 rateable value threshold for liability to a BRS in England will exclude most small businesses; while the Bill builds on the rating system, which I will come to, it does not change anything about the general rating system or have any affect on liability for non-domestic rates, whether before or after 1 April 2010; the BRS will be raised and retained locally, for projects which the levying authority, working in partnership with business, considers will promote the economic development of its area; and no BRS revenues will be coming to central Government, nor can they be used by the levying authority to support existing expenditure, as BRS can only be levied to support new, additional, spending.

The BRS builds on the non-domestic rating system. In particular, liability to BRS and the level of liability in respect of any given property will be based on the rating list entry for that property. Rating lists can be changed by valuation officers to ensure accuracy and, with that, the accuracy of rates liability. Sometimes this can lead to backdated increases in rates liability; sometimes it can lead to backdated decreases and, therefore, refunds. There is the possibility of backdated increases in rateable value causing higher BRS bills than businesses were anticipating, but the practicalities involved in ascertaining the need for changes to a rating list and then establishing what change is required mean that backdating is an essential part of the normal functioning of the system.

Right hon. and hon. Members know that, over recent months, the issue of backdated rates liability has been highlighted by the situation in a number of ports. However, the Bill relates to the BRS, and the amendments would not affect the situation in ports. As was emphasised by Lord Davies in another place, the issue of ports does not affect the principle. It would be unfair to those businesses that have been paying the correct BRS if others were paying a smaller bill simply because an inaccuracy on the rating list meant that they were not asked to pay the correct supplement. It is also worth reiterating that BRS bills, like rates bills, can go down as a result of a change to the rating list in certain circumstances; that is a normal function of the system.

Mr. Austin Mitchell (Great Grimsby) (Lab): This is the same standard argument that has been given to us during our lengthy discussions on the Bill—that there is no possibility of not giving retrospective assessment because everybody else would want it and it would break a fundamental principle. However, regulation 14(6) of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2005 provides that where reassessment is the responsibility of the Valuation Office Agency, not the result of a mistake or a fiddle on the part of the hereditament owner, there is no need for a retrospective revaluation. If that principle had been adopted under the Bill, as it should have been, we could have avoided all this trouble. What my hon. Friend is saying is wrong in respect of assessments such as those in the ports, which were done as the responsibility of the VOA, not the hereditament owner.

Sarah McCarthy-Fry: I appreciate the point that my hon. Friend is making. However, the special provision in regulation 14(6) does not apply where a property is missed off the list altogether on the day that it is compiled, as there is a difference between a ratepayer paying rates where the rateable value has been incorrectly assessed by the VOA and a ratepayer not paying rates on a property at all.

Mr. Mitchell: That surely cannot be true, because the principle of individual assessment began in 2005 when, the VOA tells us, it assessed the rateable value of each port operator on the advice that it got from the port owner. There was already a rating, and indeed the operators were paying rates through the cumulo rental system.

Sarah McCarthy-Fry: I have to beg to disagree with my hon. Friend, because the individual properties were not on the list on the relevant date in 2005. That is why regulation 14(6) does not apply.

Backdating rating assessments is not new but an established feature of the business rates system. It operated in the case of the list that we are considering not only from 2005 onwards but from 2000 and before.

4 pm

Shona McIsaac (Cleethorpes) (Lab): I apologise for intervening, but I have to be in Westminster Hall for an Adjournment debate shortly. Does my hon. Friend not appreciate that the crux of the argument, and the reason the move has caused so much anger in certain port areas, is that businesses had already paid their rates to the operators in the cumulo system? The problem is not that they have not paid. It is that they have already paid, and they are being asked to pay double taxation.

Sarah McCarthy-Fry: I thank my hon. Friend for her intervention. We are moving off business rate supplements slightly, but I shall respond to her point. In the cases that we have examined, it is difficult to prove contractually that that has been the case. If she knows of specific instances that she can show us, I invite her to do that so that we can examine them. However, the arrangement is a contractual obligation between the port operator and port businesses. It is difficult to disentangle the figures, and the only example that we have been given is very unclear.

Mr. Ian Cawsey (Brigg and Goole) (Lab): Will my hon. Friend give way on that point?

Mr. Deputy Speaker: Order. May I say to the hon. Gentleman that we are getting rather sidetracked away from the amendment that we are discussing? We now ought to come back to the amendment that the House is examining.

Sarah McCarthy-Fry: Thank you, Mr. Deputy Speaker.

On Lords amendments 11 and 12, I commend the quality of the debate in the other place. Forceful arguments were made as to why backdated rating list changes should not apply in relation to BRS liability. Lord Bates set out his view that the amendments

"are designed to provide an important guarantee to avoid retrospection in business rate supplements taxation".—[*Official Report, House of Lords*, 9 June 2009; Vol. 711, c. 550.]

He felt strongly about that matter. The noble Lords Tope, Williamson and Brooke and Earl Attlee and Earl Cathcart all spoke eloquently and persuasively in his support. However, I reiterate that the Bill relates to the BRS. For the reasons that I have already mentioned, which were set out by Lord Davies in another place, I do not agree with the principle of the guarantee described by Lord Bates.

It is right and fair that the system that applies to rating should apply to the BRS. Maintaining an accurate rating list necessarily involves an element of backdating, as properties must be valued when they are complete or nearly complete to ensure proper valuation. We cannot have a system in which a person avoids paying rates or the BRS for a time, whereas someone else in analogous circumstances cannot, because of the coincidence of when a valuation can be undertaken in practice. That would be unfair and irresponsible, so it is right that changes to rating lists take effect from the date of the event giving rise to the change. The provisions in the Bill were crafted to be entirely consistent with the national business rate system. That ensures that liability to business rate supplements will be fair to all.

Mr. Austin Mitchell: Will my hon. Friend give way?

Sarah McCarthy-Fry: One more time.

Mr. Mitchell: I am grateful. My hon. Friend says that it would be unfair if retrospective rates were not levied. To whom would it be unfair? A whole new class of businesses, the port operators, is being brought into the business rate separate assessment system. As my hon. Friend the Member for Cleethorpes (Shona McIsaac) has pointed out, they were already paying business rates through the cumulo system, and now they are going to be rateable under a different system. That should have been done in 2005, and the VOA says that it was. Why were the valuations reassessed in 2008 and made retrospective? To whom would not doing so be unfair?

Sarah McCarthy-Fry: I do not want to dwell on the specific issue of ports, and I am sure that there will be opportunities to debate it at other times. We are considering the principle of backdating in the business rating and valuation system, and the dates on which it comes into effect. The principle is that changes to rating lists take effect from the date of the event giving rise to the change. We therefore propose that the House reject Lords amendments 11 and 12 in order to reinstate the right and fair position of consistency with the business rate system generally.

Mr. Mitchell: There is a vital principle for those of us who represent ports: businesses should not wantonly be pushed into insolvency or shedding labour by something that does not need to be done in the first place.

Sarah McCarthy-Fry: I can only reiterate that the amendments that we are debating will have no effect on the current position in the ports. I am sure that there will be ample opportunity on other occasions to discuss and debate that further.

Having explained why we cannot agree to the amendments, I must remind hon. Members that the Speaker has designated the amendments involving privilege. If hon. Members vote to overturn amendments 11 and 12, the reason for the disagreement must, in accordance with the House's practice, involve privilege. That is in no way intended to criticise the quality of debate on those matters in the other place. I have commended that, and do so again now.

I hope that I have tackled the issues that were raised and demonstrated why I disagree with the amendments on principle. I hope that the House will reject amendments 11 and 12.

Robert Neill: I have some sympathy for the Under-Secretary—up to a point. The only reason for having any sympathy for her is that she did not start the ludicrous matter, and she is the umpteenth Minister to walk into it. However, I regret to say that those who drafted her response and produced one of the most mealy-mouthed, legalistic and technocratic excuses I have ever heard in the Chamber served her ill. The Government are shamed by their attitude. I was not surprised that the Government Whip was anxious to ensure that the debate was kept carefully away from the constituency issue that a Labour Back Bencher tried to raise. The Government are worried because they have been crucified in every debate on the matter. They have no answer, and the Under-Secretary is stuck in that position.

There is a matter of principle and the issue is important because, as the Under-Secretary said, the normal business rating system must apply to business rate supplements. I do not disagree with that—it is perfectly logical. My noble Friend Lord Bates tabled the amendment because the safeguards against potential injustice in the normal business rating system are shown not always to work adequately. The ports issue is therefore germane, and there was a full debate on it in the other place. It is an example of how injustice can occur in the current circumstances and of the inadequate remedies that exist to resolve it. We therefore thought that it was right to make provision in primary legislation to ensure that such injustice is not imported into the regime under Bill. That is an important principle.

The amendment that Lord Bates tabled would ensure that there is no retrospection when the BRS payer has committed no fault. That is a key issue, which should apply across the board. An injustice has been done to taxpayers in the ports through no fault of theirs, but through the incompetence of the Valuation Office Agency in not updating the list in a timely manner, not giving proper notice, not ensuring proper consultation and not providing an impact assessment. The Bill could permit an injustice to happen in the BRS model, too. The amendment was tabled to try to prevent that.

Mr. Cawsey: I am grateful to the hon. Gentleman for his support on the matter. If we were to try to summarise the Government's position, does he agree that they seem to be saying that they cannot change the overall system just because there are problems in the ports, so they will reject the amendment and treat other people equally unfairly at some point in future?

Robert Neill: I am afraid that the hon. Gentleman puts the case very well. I wish that we had a specific legislative peg on which to hang the issue of ports. Given that we cannot do that, we can at least ensure that no such injustice is done elsewhere. In theory, there could be a BRS scheme in the port areas—on Humberside or in Liverpool—and I would not want the same injustice to occur.

Mr. Frank Field (Birkenhead) (Lab): I apologise for missing the opening speeches. As I understand it, the hon. Gentleman is going to support Lords amendment 11. I commend him for that, because on this issue we have had huge difficulties in getting the official Opposition off the fence. For them to do so must now show that there is something of value at stake.

Robert Neill: I know that the right hon. Gentleman is in a difficult situation, as candidates for anything sometimes are, but with every respect to him, he will know perfectly well—I mean this in a good-natured way—that we did not vote against a previous measure because it would have removed a measure of protection. Those of us who genuinely feel that the Government have been led into error now have an opportunity to agree on some common ground. I stress that the problem did not start as the fault of a Minister; it started with the incompetence of the Valuation Office Agency. Frankly, it is the people in the VOA who should ultimately be held to account, but I am afraid that it might be too late by the time someone is in a position to do so.

Mr. Julian Brazier (Canterbury) (Con): My hon. Friend is making his speech in his usual highly articulate way, but he is being too kind to the Government, although not to the Minister. The problem is certainly not her fault: she is new. Is it not the case that, having paid a rebate to the port employers, the Department's Treasury colleagues are now saying, "You cannot let these port rating people"—the unfortunate small businesses in ports, many of which are competing with their landlords—"off the hook"?

Robert Neill: My hon. Friend is absolutely right. That is why it is so important to entrench the proposal, to prevent further injustice in future. Frankly, the Government are being duplicitous in the way that the system is being organised. People are being squeezed, and we have had a Pontius Pilate-like attitude from successive Ministers, who come along, wring their hands and say, "This is all very sad, but that's the normal system and there's really nothing we can do about it. We'd like to, but I'm sorry, we can't help." At the same time, businesses are already going under and jobs are being lost. However, nobody in the Department seems to grasp the fact that the proposed remedy of the eight-year payment period, which in theory could, I suppose, be imported if injustice occurred in respect of the BRS, does not get round the problem that the debt has to be booked in the first year, which means that companies become balance-sheet insolvent by a substantial sum. That affects their ability to raise finance and the cost of finance, and puts them in genuine difficultly.

Mr. Frank Field: The hon. Gentleman is being unfair to Pontius Pilate. Pilate wanted to release Jesus, but we have seen no signs from those on the Treasury Bench that they wish to release our constituents from an unfair tax.

Robert Neill: The right hon. Gentleman is characteristically perceptive and well informed, and he is right. I am sorry if I am being less combative than I sometimes am—I thought that I was being reasonably vigorous—but we regard Lords amendment 11 as so important because of a desire to prevent a great injustice and because the feeling is so strong. The Government's deafness is such that it makes those on the Guardian Council in Tehran look like flexible and open-minded people. People are shouting and hollering to try to bring an injustice to the Government's attention, and the Government just say, "Sorry, nothing to do with us." At the end of the day, that is just unfair.

That is why it is right that Lords amendment 11 should be maintained. It is also why the amendment was passed in the other place not by a small margin, but by a majority of 60. In terms of votes in the other place, that is a very significant margin indeed. It is interesting that the record of proceedings and votes in the other place shows that a number of Labour peers who supported other aspects of the Bill felt unable to vote in the Lobby against Lords amendment 11. They knew that justice was on the side of the amendment. I wish that that message would get through to the Government down here.

Mr. Brazier: I am grateful to my hon. Friend for giving way, particularly now that he is getting into his stride and is in his normal, more combative form. We must put on record the sheer unfairness of the situation. If one of the tenants goes bust, as some already have, the port owners, many of whom are in direct competition with their tenants, do not then have to pick up an empty property rates bill. It is unbelievable.

4.15 pm

Robert Neill: It is a most perverse situation. Ministers in the Department for Communities and Local Government do not seem to be able to grasp the fact that landlords can also be competitors, and that that creates a perverse incentive. The Minister referred to this as basic rating finance under the normal system. Well, if this is the normal system, it is wrong, and we need to ensure that it is not rolled out into other areas as an extension of the rating system. My hon. Friend is right, as he always is on these matters.

It cannot be right that people who might be subject to a BRS should be liable to the same injustice that has been identified in relation to a number of firms in Humberside. An example is Freshney Cargo Services Ltd, which has had a 1,700 per cent. increase in its rateable value. It is now going to have to pay bills backdated a number of years that are significantly more than its annual turnover, never mind its profits. It is really going to struggle.

[Robert Neill]

This is happening to honest, reputable firms that would pay a BRS honestly if the situation arose, and that pay their rates honestly. They have not misled anyone, and they are not responsible for any fault or concealment, yet they are being penalised. The kind of redress that they are being given—which might be offered under a BRS scheme, I suppose—is wholly inadequate, because it leaves them potentially balance sheet insolvent and with real burdens placed on them. These firms are important. The one that I have mentioned employs about 40 staff directly, and has about 100 people dependent on it.

It is ironic that the Bill is being presented as a means of improving economic regeneration and business activity. It is also ironic that responsibility for the Bill lies not only with the Under-Secretary of State for Communities and Local Government, the hon. Member for Portsmouth, North (Sarah McCarthy-Fry) but with the Minister for Regional Economic Development and Co-ordination whose double-hatted job involves her working not only in the Department for Communities and Local Government but in the Department for Business, Innovation and Skills. It is extraordinary that a lady who is responsible for economic development should be presiding over a Bill that will shut down businesses. As we do not seem to be getting much response from her boss in the Department for Communities and Local Government, I would have hoped that her other boss, in the Department for Business, Innovation and Skills, might have come up with an alternative solution. This is simply not joined-up government. It is ironic that that same Minister is presiding over a measure that is going to put firms out of business. That just does not make sense, and to refuse to listen to the very reasoned debate in their lordships' House potentially extends the anomaly and injustice elsewhere.

With respect, the suggestion that the amendment would set a dangerous precedent is wrong. A fair point has been made about the unique cumulo system in relation to ports rating. There is no danger of unscrambling the whole system. To include the risk of further injustice in the business rates system is just wrong.

Lest people think that this is a fanciful situation, let me tell the House that if all local authorities were to implement BRS schemes, it would raise considerable sums of money. However, great damage is being done by backdating purely in relation to ports. In the port of Hull alone, the sector is being clobbered by a bill for something like £25 million. In Liverpool, the figure is £22 million; in Immingham, it is £19 million; and in Cardiff, it is £1.6 million. No wonder those areas feel that the Government are letting them down. I feel sorry for the Labour Back Benchers who have tried to raise this issue and been thoroughly brushed off by their own Ministers. That is pretty shabby treatment.

Mr. Brazier: May I stress again that people do not have to come to British ports? There is nothing to prevent them from unloading their containers in Rotterdam or in any other continental port and putting them straight on to a lorry that will come in through Dover or the channel tunnel. That is what will happen.

Robert Neill: My hon. Friend takes a particular interest in transport matters, and he is absolutely right.

The Bill comes at a time when ports are already under pressure from the fall in freight rates. Businesses are therefore already being heavily squeezed. Business in the ports on what are sometimes called the near sea routes is particularly threatened because major concerns such as DFDS Seaways have indicated that, unless there is a change to these measures, they will reconsider their significant investment in the UK. That would be a massive blow to economies, including to the partnership between local authorities and business in areas that are trying to regenerate. It is entirely plausible that operations would be moved to Rotterdam or Antwerp and the goods simply brought in by road thereafter. The transhipments would happen elsewhere. That would ironically benefit local authorities and businesses in continental Europe and significantly damage businesses and the local authorities that work with them in our port towns.

That is why this issue is so important and why we make no apology for returning to it again and again. It is also, I suspect, why the amendment was so closely and well argued in the other place and carried by such a large majority. I thus genuinely appeal to the Minister at this late stage in the game to rip up her departmental brief, stand back and look at the issue as a matter of fairness and justice. Compared with the sums of money pumped out into some sectors, scrapping the unfair retrospective element would be nothing at all and it would help to create the degree of certainty that was mentioned in our debate on earlier amendments. The Minister should do that to provide a proper basis for the partnership working between local authorities and business that she identified as central to the Bill.

Let me end on a final irony. A number of local authorities want to be sympathetic and have tried to hold back from collecting the business rate that they are obliged to collect, but they are now being pressured by the same Government to start enforcement and start collecting. I know that some deals are being done, but that is a drop in the ocean, as the vast majority of people are going to be hit with liabilities that they cannot reasonably meet. That will positively harm the exact premise of the Bill—local authorities and businesses working together to regenerate their areas. I ask the Minister, who is up to now untarnished by this whole unhappy saga, not to listen to the official line, but to apply basic common sense and justice and support the Lords amendment. She should go to the Chancellor, who may have the strength of flexibility and independence, and ask for justice to be done.

Mr. Austin Mitchell: I support Lords amendments 11 and 12. It is unusual to find myself in such agreement with the hon. Member for Bromley and Chislehurst (Robert Neill), but he put the case very powerfully and effectively and I support it. Unless we sustain these amendments by voting against the Government—it gives me no pleasure to do so—we will expose the Humberside ports and those in Liverpool and elsewhere to a very serious and messy situation in which firms will go bankrupt, people will be laid off, and jobs and businesses will be lost. I am not prepared to support the Government in their proposals to carry that through.

Lords amendment 11 is designed to rectify the disastrous situation caused by the retrospective rate demands issued to port operators—I emphasise that this applies to port operators, not port owners, who received a rebate on

their business rates. It was the port operators who became eligible for separate assessment for business rates in 2005. The Valuation Office Agency tells us that that has been done. It went around to make the assessments, but it talked to the owners, not the operators. It did not give any notice; there was no consultation, which there should be have been, on raising the business rates. The assessment was based on what owners told the valuation agency about liability for business rates.

Separate assessment was the principle that came in for port operators in 2005, and the valuation agency told us that it had been done. Suddenly, however, thanks to a case in Southampton—it was settled out of court to avoid a definitive verdict against the agency—it was necessary to look at the assessments all over again. Many of these businesses were not assessed until 2008 for an assessment that should have been made in 2005. Whose fault was that? It was manifestly the fault of Government and the Valuation Office Agency. Perhaps the agency was understaffed because the Gershon economies had required it to shed labour, but in any event this was the fault of the agency rather than of the port operators, who have already paid business rates through what is known as the cumulo rental system. The business rate was part of the rent paid to the port owner, which is Associated British Ports in the case of the Humberside ports.

What the port operators are being asked to do is pay rates twice. Not only is it a sacred principle that everyone must pay business rates; in the case of the ports, everyone must pay business rates twice. It is inconceivable that such a principle should be imposed, and that it should be defended by the Minister. Indeed, a succession of Ministers have presented us with this ludicrous line of defence.

The whole thing was handled very clumsily and ineptly by the Valuation Office Agency. Assessments were rushed in at the last minute in 2008. Many of those assessments are now being reviewed through the so-called fast-track procedure, which takes several weeks. We do not know how many are being reviewed, but although—as the hon. Member for Bromley and Chislehurst pointed out—local authorities are now being pressurised into demanding the rates, they cannot be levied until the fast-track assessments have been completed.

I do not object to individual year-by-year assessments of these businesses. What I do object to, strenuously, is the retrospective demand for three and a half years of business rates, dating back to 2005. How will that be possible? The businesses have already charged their customers—a process that often involves intense haggling. They cannot go back to their customers and say "We are sorry, but we will have to increase the charges."

Mr. Frank Field: May I issue a plea to my hon. Friend to stop pulling his punches? Is not the position even worse? Operators who have created and maintained jobs in our constituencies believe that they have paid their rates through their charges. It is not just a case of retrospection. A poll tax is being levied retrospectively on operators who have already paid what was expected of them.

Mr. Mitchell: I was under the impression that I had just said that, but it is indeed true. The operators have been asked to pay business rates twice, and there is no justification for that.

If the Minister does not abandon her opposition to the Lords amendment and say "My God, Grimsby, you are right; I never thought of that," I should like her to tell us how the port operators are to be compensated for the money that they paid in business rates for the period between 2005 and 2008. What will happen to that money? The owner, ABP, has received a full rebate for the money that was paid by the operators, which is ludicrous, and it now says that it will not give the money to the operators because it is ABP's money and it must run businesses itself.

The operators are being threatened with retrospective business rate bills which they cannot pay because they cannot increase their charges retrospectively, and asking them to do so would be bad business practice. The Government, recognising guiltily that they have made a mess of things, are exceptionally allowing the operators to pay over a period of eight years, but that will be of no great benefit, because the debt must go on the balance sheets, and if the balance sheets suggest insolvency, the businesses will be operating while insolvent. As the hon. Member for Bromley and Chislehurst pointed out, if insolvency threatens, investment will fail. DFDS has already announced its intention of cutting investment.

The ports will change. Will the cars still come in through Grimsby—the great car port of the western world—or go out from Grimsby, for that matter, or will the operators change the way they do things and bring them in by other means? That is quite possible. We will certainly have the shedding of jobs and the closure of businesses. Freshney Cargo Services has been much cited in recent debates, and was cited again today—this time accurately, I was glad to note. That firm's very existence is threatened.

4.30 pm

Those of us who oppose this regime have had two Adjournment debates and endless meetings with previous Ministers. We have been very well received and we put our case, but the Ministers were all junior Ministers—we never got to see the Chancellor or the Secretary of State for Communities and Local Government, who are the deciding forces—and they told us, "As junior Ministers, our hands are tied." It is the job of junior Ministers to defend the indefensible, and they have done that very well, but there have been no concessions at all—we are beating our heads against a brick wall. As my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) pointed out, that is what Ministers get the car for.

Our warnings about the disaster that will come have made no impression at all. It is now going to hit us, but all we have had is a litany of excuses such as that if the retrospective rates demand were waived it would be an inappropriate aid to industry, and it would break a sacred principle of the ratings system in respect of retrospective charges. We have been told that the businesses, many of them small businesses, should have known—by divination or telepathy or some other form of spirit medium—that they would have to pay these charges. A load of rubbish has been told to us. We are in the position of mushrooms, with manure regularly thrown over us by junior Ministers of the Departments concerned. Frankly, I am fed up of being in that position and of talking about a situation that is so serious and of having Ministers take no notice. We had another Minister take no notice today; a new Minister adopted the old skills of taking no notice of the case.

The principle the Lords amendment proposes is a simple one, and it already operates. That principle is that where there is a reassessment that comes at the volition of the valuation agency and not the business, there will not be retrospective charging of that reassessment. That is a good and sensible principle, because what we have here is an inefficient agency with tyrannical powers, including the power to impose a large retrospective payment. It should not be allowed to use those tyrannical powers in defence of its own inefficiency. That is a good principle.

The Minister told us today that the increase is not backdated if the error relates to premises on the list, but is backdated if the error relates to premises that should have been entered on the list. The premises in question should have been entered on the list in 2005, so this is double-talk. They could be exempted from the retrospective payment, and this Lords amendment suggests that they must be. The Government could have done that of their own accord. Why did they not do so, and thereby save us all this trouble? Why did they impose this retrospective assessment that is causing so much trouble in the ports? The Government have the power; they should have used it. For the Minister to tell us, "Well, the premises should have been entered on the list," is no excuse. Why were they not on the list, and what was their legal status? The owners of the premises were paying business rates; they were assessed for business rates separately in 2005, so why cannot this retrospective abolition of the retrospective principle be applied to them, as it should be? What is their situation?

The Minister told us that if we carried the amendment, it would have no effect. It is clearly not a retrospective amendment, but I will not believe it if I am told that if the Government accepted this principle—as they should, because that principle is in the legislation already—they would not retrospectively give way in the port operators' case. They would, of course. They would obviously accept the general principle, and they would have to do justice even though the crime is only three months or so old. It is futile for the Minister to tell us that this measure would have no effect, because it would; even though the legislation is not retrospective, it would allow the abolition of the principle of retrospective demands for rates.

The state of these businesses is shown by some of the correspondence that has been sent to us by one of the lawyers advising us on this issue. He says:

"I was telephoned on Thursday by the accountant of one of the...businesses affected by the failures of the Valuation Office Agency. The accountant wanted to know the effect of the vote in the House of Lords".

The effect of the Lords amendment was, of course, zero; it is not until we ratify it that it becomes effective, so this accountant is hanging on for today's vote, in which we shall compel the Government to accept the Lords amendment. The correspondence continues by saying that the accountant

"was trying to decide whether he was obliged to qualify the company's account with a note that it"—

the dock operator, one of several in such a position—

"was insolvent. He felt that he was obliged to do so but was desperately trying to find a reason not to qualify the accounts".

We are told he did not want to complete the process by reporting the company insolvent. Like all of us, he is waiting for the relief of Mafeking, when the Minister will tell us that she accepts the principle of what we are saying and he can tell that company that it can continue to trade. The Labour party and the Government must accept this principle, because we cannot pursue these port operators in this fashion and produce the kind of devastating effect that this measure will have in the ports. We are not exaggerating: there will be very serious consequences.

I wrote to the Minister—we have never been able to see one of the top Ministers—asking that this Lords amendment be accepted. I also wrote to her asking that we should be provided with accurate information on how many of these port operators have paid, how many are still paying and how many have negotiated entry into the eight-year scheme. I have not received an answer. I do not think that the information is available. Ministers have tried to con us by saying, "A high proportion have paid. If some pay, we can't abandon the charges on the rest." That just ain't true. We are talking about a unique category: port operators, who, under the new arrangements, are assessed for retrospective business rates. We need to know how many of them have paid. I hope that the Minister will tell us, because we can make these decisions only on the basis of that kind of information. I hope that if the Minister does not accept this amendment—I have been watching the flow of notes coming from the hard-faced men and women in the Box—

Mr. Deputy Speaker: Order. The hon. Gentleman is a very experienced Member of the House, so he will know that we do not refer to people who are not in the Chamber in that way.

Mr. Mitchell: I am sorry, Mr. Deputy Speaker. It was tactless of me to refer to the complexions of those people in the reference that I should not have made—and did not make. The Minister has been receiving notes and I hope that they have changed her mind, because it is important to seize this opportunity to change the Government's mind. If that does not happen, I shall certainly vote for the amendment and, unusually for me, support proposals coming from the House of Lords, which the Government can make retrospectively effective.

Dan Rogerson: Our debate has become a little lively for this time of the afternoon. Interestingly, in many of our discussion we have discussed the potential for things to have an influence on local communities and for business rate supplement projects to be introduced, but we are now talking about the backdating of business rates for ports, which is having an impact on communities and businesses up and down this country.

The hon. Member for Bromley and Chislehurst (Robert Neill) referred to a certain irony, so I should refer him to remarks made earlier today by the hon. Member for Foyle (Mark Durkan) about irony in politics. We have heard references to the New Testament and the Boer war this afternoon, which goes to show that our debates are perhaps at their best when we can respond to real situations in the country. Although the Bill might not resolve the situation, it gives us the opportunity—as the hon. Member for Great Grimsby has just said—to send a clear signal of our intentions, to acknowledge the seriousness of the situation and to admit that it is the responsibility of the Government to put it right.

It must be acknowledged that the problem in Humberside and Merseyside has been caused by a mistake by a Government agency, although the businesses involved will have to pay the price. Even worse, their employees will pay the price if their jobs are lost. In the present economic circumstances, the Prime Minister has instructed, inasmuch as he can or is prepared to, banks that are now part-publicly owned to be as sympathetic as possible to businesses that are in difficulty and to support them as much as possible. HMRC has been instructed to be as flexible as possible in collecting taxes, to ensure that profitable businesses that want to invest in the future, provide employment and contribute to the economy are not put out of business needlessly by short-term demands that could be resolved. However, the Government are pressing ahead with the business rate system, which might make businesses unable to trade any longer. People will lose their jobs and it will affect investment in communities served by those businesses, with consequences for other businesses around the ports, including the construction and other ancillary industries. Although we might not have the opportunity to resolve the problem this afternoon, we can be part of the solution and contribute to addressing the issue.

Any problems that occur in port areas might have long-term consequences, as we have heard. If business is driven from the ports, it will find other routes and, probably, never come back. We need to reflect on just what the Government are asking us to do.

Will the amendment solve the problem? No, but it would give the Government the opportunity to acknowledge not only that the issue needs addressing, but that they have a way of dealing with it. It would also acknowledge that the situation in the ports is the fault not of the businesses but of the Government agency. The Government must admit that and try to do something to resolve the situation.

The Minister said that it would be inconsistent for the collection of business rate supplement to follow a different path from the collection of business rate. I can see what she means, and perhaps the amendment is an inelegant solution. But it will allow the House to vote and to show that many hon. Members feel that this problem needs to be resolved. If we can demonstrate the strength of that feeling, I hope that we can press the Government into action. That has happened in recent weeks with the Gurkhas. The Government said that there were insurmountable problems of precedent that could not be overcome. Members gave their view on that and, to their credit, the Government reacted. I hope that the same will happen this afternoon and we will reject the motion to disagree. If we stick with the amendments made in the other place, we will have a better Bill as a result.

4.45 pm

Mr. Cawsey: I shall not detain the House too long, because when we debate this issue I feel increasingly that I am turning into Bill Murray in "Groundhog Day". I simply turn up and say exactly the same thing over and again and get exactly the same response. At the heart of the matter is the fact that we are discussing Lords amendments to the Business Rate Supplements Bill, but a lot of us who represent ports represent companies that think that they are already being charged a business rate supplement. They have paid their rates once through the cumulo system—that is not really disputed, and, indeed, my hon. Friend the Minister said earlier that people should come forward with evidence of that if it exists. In a previous debate, I said to the previous Minister that Associated British Ports sent out a letter to those companies at a time when their business rates had been increased to say that the cumulo was being increased to cover the increase in business rates. If that does not prove that business rates are included in what they pay, I do not know what else can prove the point.

We have got ourselves into a completely unnecessary mess. The other place did this House a service by passing amendment 11. It has ensured that the issue comes back on to the agenda and that all Members can see that there is a solution. That solution might well have been directed at the problems in our ports, but the amendment is a good one in its own right. Even if the Government still feel uneasy about the port situation, what on earth is wrong with or offensive about the amendment? It should be passed and it should be applied to the ports companies. There can be no fairness when good companies are struggling to stay in business because they are being asked to pay, for a second time, business rates backdated to 2005. They can no longer go back to their customers and reclaim the money.

ABP, which is not the only owner of ports in this country but affects the area that I represent in Goole, has made it perfectly clear that the money that the Government have paid back to them will not be passed on. This is retrospection and double taxation. In fairness to ABP, it says that because although it might have got its money back in ports such as Goole its liability across the country has gone up, too. I do not think ABP sees itself as a winner out of this whole sorry tale, either.

I plead with the Minister, who is new to her post and who will have had all sorts of briefings and notes from officials that say, "Resist," "Stick with the line," and "Don't let them grind you down." We all know what happens in these scenarios. However, it needs dealing with because this problem will not go away. I might be wrong, but I think that the most likely thing that will happen today will be that the Government will win the day on the amendment, despite the fact that Members on both sides of the House will vote in favour of their lordships' position. Of course, that will not be the end of it, because the amendment will go back to the other place. I hope that if we end up with that scenario, their lordships will take heart from the fact that there is cross-party consensus that the provision is just wrong and that it needs to be dealt with.

I had the great honour a few years ago, for one year, of being Parliamentary Private Secretary to the much missed Lord Williams when he was Leader of the House of Lords and I know what happens in this scenario. No Government want to lose legislation because of one bit of controversy, so at some point people have to sit down and to start talking about what will ensure that both Houses can reach an agreement. If we are unsuccessful today, I hope that their lordships will see that there is strong support in this House for the amendment and will sit down with representatives of the Government to thrash out a position that can be brought back to both Houses on which we will agree.

This matter will not go away, because it is manifestly and obviously unfair. Companies in ports up and down the nation are struggling in already difficult circumstances

[Mr. Cawsey]

because of the failure to grasp this simple matter, which is not of the Government's making. We all accept that the Valuation Office Agency messed it up in the first place, but there is an obvious solution. I refuse to believe that it is beyond the wit of people in this House and the other place to reach a solution together, so for goodness' sake let us get on and do it.

Sarah McCarthy-Fry: With the leave of the House, I shall respond briefly to some of the points raised in the debate, but I shall begin by reiterating a principle. Many hon. Members have spoken about fairness this afternoon, and the principle is that a tax system such as business rates must be equitable to all. Any solution to a perceived injustice must not confer a disadvantage on other taxpayers who have paid and who were billed on time.

Prior to the ports review, some 1,600 separately assessed properties were liable for rates from 1 April 2005. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) said that separate assessments were introduced in 2005, but that is not correct. The principle of separate assessment has been a long-standing feature of the rating system, and goes back as far as 1936.

Robert Neill: I appreciate that the Minister is new in her post, but does she accept that, although separate assessment has been a feature of the general rating system, the cumulo system operated in the 55 registered ports until the latest change? The 1,600 separate premises were rated as separate hereditaments only when that change, of which the ports did not have notice, was made.

Sarah McCarthy-Fry: As far as I am aware, and according to the figures that I have, the 1,600 properties were liable for rates from 1 April 2005, and paid rates in 2005-06 and 2007-08. Removing a backdated rates liability would turn a perceived advantage for newly assessed properties into an actual disadvantage for existing properties that have paid their rates liability for previous years.

On the earlier point about empty properties, a landlord who takes over a rateable property that is empty would be liable for rates.

Mr. Frank Field: The Minister has confused the position. We are not asking for an unfair redistribution of the rateable value costs to those who already pay. Employers in our ports want to pay rates, but they do not want to pay rates and have this poll tax imposed as well. If that happens, they simply will not survive.

Sarah McCarthy-Fry: We are talking about two different issues here. One is the principle that separate assessment would be unfair to those who have been paying their rates; the other has to do with the cumulo, which is a contractual agreement between the port operators. We are not unsympathetic to the ports, but the Lords amendments are not the answer to the problem. They would affect the ability to levy a business rate supplement on businesses occupying properties where the rateable value has been altered retrospectively, but they would not impact on the backdated rates liability of some port operators.

I have heard the arguments about sending a message and setting a precedent, but the principle of fairness demands that we look at the system as a whole, including those who have already paid their rates. As I have said, we are not unsympathetic to the ports, and the House overwhelmingly supported the arrangements allowing liability backdated to 2005 to be discharged in instalments. I am pleased to be able to tell the House that that legislation is working well.

I can tell my right hon. Friend the Member for Birkenhead (Mr. Field) that, by 8 May this year, local authorities had reported that 185 properties covered by the ports review had paid £30 million of backdated liabilities in full, and that a further 88 business properties in ports had been granted a schedule of payments. In addition, my predecessor, who is now the Minister for Housing, met two of the port operators—Peel Holdings and Associated British Ports—to discuss the payment of fees and whether that included the payment of rates. Although the Government have facilitated discussions with some port operators about the merits of these issues, we cannot intervene directly between the ports and occupying businesses, as the responsibility for paying rates through tenancy agreements is a private contractual matter between the ports and the occupying businesses. I am happy to meet hon. Members who have ports in their constituency to discuss matters further, but I do not consider the amendments before us to be the way forward.

Dan Rogerson: I echo the comments that other hon. Members have made: the problem is not of the Minister's creation. However, she said that the amendments are not the answer, which implies that there may well be an answer to the problem. Hon. Members in all parts of the House would welcome an idea of what that answer might be, so that they could decide whether they need to send a signal through the amendments. I gave the example earlier of the Gurkhas debate. Some Labour Members chose not to support the motion in the name of my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), because they felt that as they had received a promise from the Government the issue would be resolved. I am not clear that we are in such a situation in this case, or that there is a way forward. If there is, it would be good to hear about it.

Sarah McCarthy-Fry: I doubt that I can give a great deal of comfort, because the solutions suggested by hon. Members are not a possible way forward. That is why we gave an unprecedented eight years in which to pay, and came up with the fast-track process. I know that hon. Members have said that the fast-track system is not working as it should, but 40 proposals have been resolved under the fast-track system. Some 195 remain outstanding, and they have been transmitted, as appeals, to the Valuation Tribunal Service. We are assuming that early hearings will follow. Ratepayers have been invited to support early listing dates, but very few have taken up that option. Once the appeal is with the tribunal, there is also an onus on the applicant to speed up the process.

Robert Neill: The Minister is being clear, but will she concede that, according to the figures she has given, only 230-odd properties have come to an arrangement, or are in the process of so doing? There are about 1,600 individual properties concerned. Secondly, on the fast-track process, I have details from RMS Holdings, which has been offered a fast-track hearing between now and September. It is difficult for it to take things up, if that is the best that it is offered under the fast-track proposals. Will she look again at the operation of the fast-track system?

Sarah McCarthy-Fry: I am more than happy to look into the fast-track system. However, the total number of proposals relating to properties in ports since November is 235 and, overall, 540 proposals have been made over the lifetime of the 2005 list. However, I am more than happy to look further at that fast-track system.

To go back to my original point, we are talking about a point of principle to do with the business rate system. It is about fairness. To repeat what I have said, determining liability takes us back to the issue of when the liability started, in 2005 or 2010, as it will do under the BRS system and in future. People who have already paid their business rates in full would be disadvantaged if we changed the system. That is why the decision was made to put in place the deferral system, which allows an unprecedented eight years in which to pay.

Mr. Austin Mitchell: I fear that what the Minister said was not correct. The principle of the argument that we are urging applies to port operators. The principle of the previous legislation, as set out in regulation 5(3) of statutory instrument No. 2303 of 1989, was that all operational land of a harbour or dock undertaking was to be treated as a separate hereditament, irrespective of whether the property would otherwise form several separate hereditaments, or part of a single, larger hereditament. That principle was confirmed in the legal action that the Valuation Office Agency began against Grimsby Fish Dock Enterprises in 2002. One cannot split a single hereditament in the case of docks, or when the owner controls the access. That is what is happening. There are attempts to split the docks into separate hereditaments, and those are the ones—

Mr. Deputy Speaker: Order. That is a long intervention. The hon. Gentleman has made his point.

Sarah McCarthy-Fry: My hon. Friend has the measure of me on that. I do not have the details of those regulations.

I go back to the policy that a business should pay its fair amount of rates from the point at which it occupies the property, and that all businesses should be treated in a manner consistent with fair competition. That is the principle on which we disagree with the Lords amendments, but the reason, as I said, is one of financial privilege.

Question put, That this House disagrees with Lords amendment 11.

The House divided: Ayes 258, Noes 227.

Division No. 153] **[5 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Caton, Mr. Martin
Chapman, Ben
Clapham, Mr. Michael
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony

Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. John Heppell and Mrs. Sharon Hodgson

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Cawsey, Mr. Ian
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, rh Mr. Frank
Field, Mr. Mark
Foster, Mr. Don
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McIsaac, Shona
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Prosser, Gwyn
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant

Shepherd, Mr. Richard
Simpson, David
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Bill Wiggin and
Mr. Stephen Crabb

Question accordingly agreed to.

Lords amendment 11 disagreed to.

Lords amendment 12 disagreed to.

Lords amendments 13 and 14 disagreed to.

Amendment (a) made in lieu of amendments 1 to 6, 13 and 14.

Lords amendment 15 agreed to, with Commons privileges waived.

Motion made, and Question put forthwith (Standing Order No. 83H(2)), That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments 11 and 12;

That Lyn Brown, Natascha Engel, Sarah McCarthy-Fry, Robert Neill and Dan Rogerson be members of the Committee;

That Sarah McCarthy-Fry be the Chairman of the Committee;

That three be the quorum of the Committee.

That the Committee do withdraw immediately.—*(Mr. Blizzard.)*

Question agreed to.

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

Green Energy (Definition and Promotion Bill) (Money)

Queen's recommendation signified.

5.17 pm

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I beg to move,

That, for the purposes of any Act resulting from the Green Energy (Definition and Promotion) Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of any expenditure incurred by virtue of the Act by the Secretary of State, and

(2) the payment out of the Consolidated Fund of any increase attributable to the Act in the sums payable under any other Act out of that Fund.

The motion concerns the private Member's Bill promoted by the hon. Member for East Surrey (Mr. Ainsworth)—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. May I ask that Members who are leaving the Chamber do so quickly and quietly?

Mr. Kidney: Thank you, Mr. Deputy Speaker.

I congratulate the hon. Gentleman on choosing for his Bill such an important subject as green energy, and particularly on his focus on improving the take-up of microgeneration measures. I also congratulate him on securing such a broad and cross-party coalition of support for his Bill. On Second Reading, the previous Minister with responsibility for energy, my right hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien), welcomed the Bill on behalf of the Government. In his speech, he said that the Government support the key principles underpinning the Bill. The House approved the Bill's Second Reading, and it therefore proceeded into Committee.

The Government see the Bill as a valuable opportunity to promote microgeneration through the definition of "green energy".

Mr. David Heath (Somerton and Frome) (LD): I warmly welcome the hon. Gentleman to his new responsibilities. [Hon. Members: "Hear, hear!"] He will hear that the whole House echoes that welcome.

I also greatly welcome the Bill. On microgeneration, has the hon. Gentleman given any further thought to the definition of hydropower, which is still an outstanding issue? The Bill is a potential vehicle to put right an anomaly that is preventing people from investing in micro-hydropower. During his very short time in the Department, has he given any thought to rectifying that anomaly?

Mr. Kidney: I am grateful to the hon. Gentleman. He will know that the Bill is about micro wind turbines and air source heat pumps. It requires the Secretary of State to undertake consultation about the future of the microgeneration strategy, so I commend to the hon. Gentleman the idea of his taking part in that consultation and making his valuable point. The matter is in my mind as I speak.

There remain a number of barriers to the continued deployment of small-scale renewable and low-carbon energy sources, hence the Government's review of the strategy. The Bill will be a useful means of helping to

[Mr. Kidney]

implement that strategy once the review is completed. It sets a strategic framework within which we can remove barriers and continue the development of a crucial market. For example, the Government are keen to ensure that we are in the best possible position to capitalise on the introduction of the forthcoming financial incentive regimes for both renewable heat and small-scale low-carbon electricity.

Work to strengthen the Bill and fit it into the strategy is ongoing, and I look forward to its completion in Committee. However, I assure hon. Members that in considering that work, the Government do not intend to change the main thrust or sentiment of the Bill, which is the promotion of green energy. We very much support that.

The motion before the House is the usual money resolution for a private Member's Bill that may create a charge on public funds. The Bill does not directly give rise to additional expenditure. However, the House's approval is required to accommodate any costs that may arise from the further development of the microgeneration strategy. The details of that strategy, including any expenditure, will be the subject of public consultation in line with requirements in the Bill.

I hope that hon. Members agree that it is therefore necessary and desirable for the House to approve the money resolution. Any reliance on it for spending public money will be in accordance with a strategy that will have been approved following public consultation. There is no immediate commitment of public spending, and there will be ample opportunity to comment on the development of future policy. I therefore commend the motion to the House.

5.21 pm

Gregory Barker (Bexhill and Battle) (Con): We on the Conservative Benches warmly welcome the fact that the Government support the Bill introduced by my hon. Friend the Member for East Surrey (Mr. Ainsworth). We have a clear vision of a distributed energy economy, and microgeneration will be essential to that. My hon. Friend has a formidable record of promoting pragmatic green causes such as this, and we look forward to the Bill making its swift and positive way through Committee.

5.22 pm

Martin Horwood (Cheltenham) (LD): I join others in welcoming the Bill and congratulating the hon. Member for East Surrey (Mr. Ainsworth) on promoting it. It can be very important in accelerating the development of renewable energy, particularly microgeneration. The Minister is right that it enjoys broad cross-party support in the House. The fact that the Government support it is welcome. Occasionally, Private Members' Bills have to be watered down to enjoy Government support, but I am pleased to say that my assessment is that that is not the case with this Bill. I know that that is also the assessment of the hon. Member for East Surrey. The Government have accepted all the important principles of the Bill and the key measures in it.

May I correct the Minister on one small matter? I do not believe that the Bill just relates to wind turbines and air source heat pumps. It has a much broader spread, and issues relating to micro-hydropower, which my hon. Friend the Member for Somerton and Frome (Mr. Heath) raised, are quite important. Certainly we can happily discuss them in Committee. We on these Benches wish the Bill well, and we would like the resolution to be passed without opposition.

5.23 pm

Mr. Peter Ainsworth (East Surrey) (Con): I thank the Minister for moving the motion, and I welcome him to his new responsibilities. He has an honourable track record on green issues, so it is good to see him in his post. I hope that he will have much influence on Government thinking on these matters. I also thank other hon. Members for their kind words.

There has been no attempt to water down the provisions that I am seeking to introduce. Speaking of water, I am afraid that there is a problem with introducing measures on micro-hydropower into the Bill. However, I hope very much to work with the Government and Liberal Democrat Members to put that problem right in another way at another time. I have no doubt that we will return to the matter during the Committee stage.

Question put and agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

EMPLOYMENT

That the draft Work and Families (Increase of Maximum Amount) Order 2009, which was laid before this House on 4 June, be approved.—*(Mr. Blizzard.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

GENETICALLY MODIFIED MAIZE

That this House takes note of the two unnumbered explanatory memoranda from the Department for Environment, Food and Rural Affairs dated 6 May 2009 concerning the placing on the market, in accordance with Directive 2001/18/EC of the European Parliament and of the Council, of maize products (Zea mays L., line Bt11 and Zea mays L., line 1507) genetically modified for resistance to certain lepidopteran pests; and supports the Government's view that all the requirements of the Directive have been met in relation to these products and that their proposed authorisation for cultivation should be granted.—*(Mr. Blizzard.)*

Question agreed to.

NHS (Cornwall and the Isles of Scilly)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Blizzard.)*

5.24 pm

Andrew George (St. Ives) (LD): I am delighted to have secured the debate, but I am sorry that the Minister whom I understood to be responding is not yet in his place—doubtless that will be put right shortly. The subject of the debate is important. *[Interruption.]* I am pleased that the Minister is now in his place and I welcome him to his new post.

The subject has significance beyond the geographical designation in the title of the debate. Many places other than Cornwall and the Isles of Scilly experience similar problems in that they suffer significant health inequalities in comparison with the national average and deprivation in terms of the population's income profile. The geography of a peninsula also presents problems, and I believe that Cornwall and the Scilly Isles are further from target than anywhere else in the country, in the Government's view.

We are grateful to the Government for ensuring that the Advisory Committee on Resource Allocation studied, over several years, every aspect of the NHS formula for the allocation and weighted capitation of funding to every primary care trust in the country. Consequently, there is a welcome uplift in the funding for Cornwall and other places. However, although Cornwall will receive a 12.4 per cent. increase as a result of the acknowledgement that it is significantly more underfunded than the Government recognised previously, it will still be 6.2 per cent. below target at the end of the current two-year cycle of NHS funding. That is as far as the Government will allow any PCT to be by that stage—the end of March 2011. Although the increase is welcome, it raises issues about which the Minister must, I am sure, be aware.

It is probably also worth pointing out that the problem has not arisen overnight. I have already congratulated the Government on ensuring that the Advisory Committee on Resource Allocation undertook a thorough review. However, Cornwall and the Isles of Scilly NHS services have long suffered from the underfunding arising from the funding formula that the Conservative Government originally introduced. It has taken such a long time to get around to addressing that underfunding, which has affected the poorest region in the UK.

As the Minister would expect, all the Cornwall Members of Parliament have campaigned for many years to ensure, first, that there would be a review and, secondly that it would be robust and thorough. It acknowledged that the revised formula should be introduced at the beginning of the financial year. However, that leaves Cornwall with funding that is £56.5 million below what the Government have identified should be its allocation.

In preparing for this debate I looked at the funding for other parts of the country. To be fair, there are areas in Norfolk, Nottinghamshire, Derbyshire and Lincolnshire where funding is 6.2 per cent. below the target, but where it is also marginally above Cornwall's gross level of underfunding, because of the size of the PCTs by which those areas are served.

Julia Goldsworthy (Falmouth and Camborne) (LD): Will my hon. Friend put the level of underfunding into perspective, perhaps by giving an indication of the debts that the Royal Cornwall Hospitals NHS Trust has accumulated over a number of years and saying to what extent just giving Cornwall the funding that the Government's formula says it needs would help to address that long-standing problem?

Andrew George: I am grateful to my hon. Friend for raising that point. She has been a champion for the NHS in Cornwall. It is as a result of the teamwork among Cornish MPs, in bringing the case to the Government and ensuring that the message is heard loud and clear, that we have made so much progress, although we obviously still have a great deal of progress to make.

The figure of £56.5 million for underfunding in the financial year 2010-11 stands in contrast with the position in 2006, when the Royal Cornwall Hospitals NHS Trust was placed in special measures, after it was discovered to be more than £15 million in deficit. That figure for debt changed rapidly to £32 million, as a result of the resource account budgeting system, which the Treasury insists that Departments put in place, and, later that year, to £57 million, as a result of an estimate of the commitments that the trust had already made.

We are still awaiting a review this year of where the trust is now. We are reassured by the messages from the trust that it is not only in recurring balance, but doing its best to retrieve the situation financially. However, as my hon. Friend rightly pointed out, there is the question how a trust can get itself into such a position of underfunding when the Government and their advisory committee have acknowledged that for all these years—one might argue for at least the last decade, because that is how long we have been campaigning to get the formula changed—we have been underfunded by the equivalent of the debt that, under its worst interpretation, the trust has faced. That is a significant issue.

In 2006, when the trust's debt was first identified, it was placed in special measures and given support from the Department of Health. The chief executive resigned and initially—certainly in the first year—the trust went through a period of what I would describe as panic-laden decision taking to try to recover the financial situation as quickly as it could. Since then, the trust, under the Department's close guidance, has had a turnover of five chief executives and five chairmen.

I am not prepared to comment on individual cases, but since the fact that the trust faced serious financial problems was first identified, issues have arisen that are clearly not the responsibility of the local community. One of the themes that I want to draw out from this evening's debate is the importance of establishing a system of NHS delivery in local communities that is far more accountable to those communities than has hitherto been the case in Cornwall and the rest of the country.

I know that Ministers use the language of encouraging greater localism and greater local decision making on the priorities relating to the allocation and spending of NHS resources, but in Cornwall we have experienced the serious problem of too much micro-management from Richmond House and, arguably, from the strategic health authority. That has clearly not contributed to a calm situation that would allow the kind of decision making that Cornwall has needed over the period in question.

Martin Horwood (Cheltenham) (LD): My hon. Friend has identified an incredibly important subject. In 2006, we in Gloucestershire also found that the level of accountability to the local population for some of the drastic decisions that were taken was not very high. We are still fighting to restore services, such as the overnight children's services at the Battledown children's ward in Cheltenham, that were lost in those cuts. Does he agree that, in looking for cost savings and greater accountability, we might consider the future of the strategic health authority for the south-west as a whole as a possible area for economy and improved accountability between the Government and the local people?

Andrew George: I am grateful to my hon. Friend for raising that issue. Government quangos and departmental bodies are making decisions that are vital to the local communities that benefit from these crucial services, yet the people in the communities have very little influence over those decisions. Most people in my area are pretty cynical about the consultation exercises and believe that they are merely a process of public window-dressing before a decision that has already been made is implemented.

Julia Goldsworthy: Is not that exemplified by the fact that people are not consulted on two different possible outcomes? Rather, the consultation is simply an exercise in providing information. Does not that devalue the process of consultation altogether?

Andrew George: The Minister is certainly listening, and nodding at some of these points. I do not know whether he is in partial agreement, or whether he at least agrees with the sentiments being expressed. Perhaps there is a potential for finding some common ground on the points that we are raising.

I took part in a debate on these issues on 18 March 2009 with the Minister's predecessor, the right hon. Member for Exeter (Mr. Bradshaw), who is now the Secretary of State for Culture, Media and Sport. The broad issue of the allocation formula was debated at that time. The Minister said that the formula

"is made up of a count of the population served by the PCT, with adjustments made to reflect factors such as the age of the population, the level of deprivation, unavoidable differences in costs, which are known as the market forces factor, and rurality."—[*Official Report*, 18 March 2009; Vol. 489, c. 285WH.]

One of the big issues for Cornwall and the Isles of Scilly is the impact of the market forces factor on the allocation of funding. That element of the funding formula seems to suggest that, because wage levels are low in Cornwall, we deserve less money. The argument seems to be that, because the market circumstances are somewhat lower, we deserve less funding. I was pleased that, as a result of the academic study by the consultant body, that issue was reviewed and put right.

Many in our communities feel that the Government should move much more quickly to allow PCTs that are below target to move more rapidly to meet their target. The response of the right hon. Member for Exeter was that

"moving faster over the next two years would result in painful cuts to services".—[*Official Report*, 18 March 2009; Vol. 489, c. 286WH.]

He went on to identify a number of PCTs, mostly in London and the south-east, with allocations over target, whose resources would be cut over a period, resulting in painful decisions having to be made. I sympathise, and if I were the MP representing those areas, I would argue strongly that those changes should not be made—or at least not in a precipitate way that might undermine services. That option might not necessarily need to be taken.

In the chief executive of the local PCT in Cornwall, Ann James, the Minister has a very loyal advocate for the Government and the Department. In preparing for this debate, I asked for her opinion on our distance from target and on the impact of Cornwall's underfunding on the ability of the local NHS to ensure that services were adequate. She told me that the local PCT, even at this distance from target, had been able to make tremendous advances in health care. She said that it had received more than £400 million of extra funding over the past four years; £2.5 million had been invested in NHS dentistry, resulting in a cut in waiting lists; £1.6 million had been invested in maternity services; and a new GP-led health centre was being built in the constituency of my hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy). Ann James also mentioned further investment in a number of other services in Cornwall, which I shall come to in a few moments.

The Minister should recognise that this is not just special pleading on behalf of Cornwall, as there is a reasonable case to be heard. Simply saying that funding for areas that are clearly suffering from underfunding cannot be raised because of the potential impact on other areas is not good enough. The Government have been able to sink substantial amounts into an IT project, including the choose and book system, at a cost of £12.4 billion. Another example is the £150 million spent on the roll-out of what some people call the "super-surgeries" as alternative providers of medical services—or "polyclinics", as some prefer to call them, although I know that the Minister's Department does not like that term and calls them something different.

Local PCTs have had to deliver in their own areas a number of centrally driven or centrally funded top-down initiatives. Whether such decisions relate to independent treatment centres or the other projects I have mentioned, my argument is that they would be far better taken in communities such as Cornwall, where the services that people are concerned about might be enhanced—and more effectively than by the initiatives from Richmond House. There is scope for argument there, and I suspect that the Minister will disagree, but the matter needs to be considered.

The impact of underfunding on services is very clear. It leads to pressures on staffing levels in acute services. As I witnessed myself, that can be dangerous. Staff levels on some wards really need to be looked at. I was fortunate a couple of years ago to have the opportunity to shadow nurses on four wards at the Royal Cornwall hospital in Truro and the West Cornwall hospital in my own constituency. I was seriously concerned about staffing levels, and particularly about the ratio of staff to the acuteness of the cases that needed to be dealt with. I was also concerned about bureaucracy, form filling and targets, which staff had to chase up at the same time. There were a number of issues of concern.

West Cornwall, a very small hospital in my constituency about which the local community rightly feel extremely passionate, has experienced a rollercoaster of emotions in recent years as a result of panic-laden decision making. Uncertainty and anxiety about the true future of the

hospital and the services available to local patients have been a predominant theme. As I said, the trust has undergone a large number of changes of chief executives and chairmen, and is still struggling to recover from decisions that were made only a couple of years ago.

Cornwall has one of the most threadbare NHS dentistry services in the country. I was privileged to be able to invite the chairman of the independent review body, Professor Jimmy Steele, to see what was going on in Cornwall back in February, in the early days of his inquiry. He told me this week that his report would be published next week, and we look forward to reading it.

Most adults in Cornwall simply assume that they will never be able to get on to an NHS dentist's list—at least, I was going to refer to such a list, but obviously people do not register with NHS dentists nowadays. It is incredibly difficult to arrange to be seen by an NHS dentist. It is not just a question of access, although on a long, thin peninsula there are no alternatives in the form of other PCTs or health services, and as my hon. Friend the Member for Falmouth and Camborne knows, the further west one goes the worse the position is. There is also the perpetual uncertainty. We can be pretty sure that for every new NHS dentist whose arrival in one of the towns in my constituency is trumpeted, another will jettison NHS patients or go private within months, if not weeks, because of the pressure that dentists feel that they are under.

Julia Goldsworthy: I am grateful to my hon. Friend for being so generous in giving way. Does he agree that the contract is making the problem of access even worse? I visited an entirely NHS-run dental surgery in Mylor—the only dental surgery in Cornwall that is accepting new NHS patients. Because of the contract and the illness of one of the dentists, the practice had spare capacity which it had to fill by the end of the year. It took on a new dentist and a number of new patients, but the position is no longer sustainable, and it faces having to close its doors to new patients and make an NHS dentist redundant.

Andrew George: As I suspect the Minister will hear when Professor Jimmy Steele reports next week, that is a common theme, and I hope that the Government will reflect on it.

The Select Committee on Health largely precipitated the demand for an inquiry by encouraging the then Secretary of State to call for one, and I congratulate the then Secretary of State on doing so. It was clear that the Government would have to review the impact of the new contract that was introduced in April 2006. Many members of the profession had warned the Government about its potential impact. In places such as Cornwall and, no doubt, Gloucestershire, it resulted in perpetual uncertainty.

Martin Horwood *rose—*

Andrew George: No doubt my hon. Friend is about to say the same about his area.

Martin Horwood: I am extremely grateful to my hon. Friend for being so generous with his time. I agree with both him and our hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy). Does he agree that the problems with the contract date back even further, to the early 1990s and the last Conservative Government? It was they who first mucked about with it in a way that would slowly and quietly send dental practices bankrupt if they maintained NHS services as they had been before. Now the Government have managed the amazing trick of renegotiating the contract and making the position even worse, leaving us with what is becoming almost a privatised dental service.

Andrew George: I certainly think that that is true, but I must also say that there are geographical differences across the country as a whole. The Government measure, and the means by which they pay for these services, is the average units of dental activity. On that measure, NHS provision per head of population in Cornwall is about half the national average. Professor Steele has been looking at this issue, and I am told that provision is significantly better in some parts of the country than in Cornwall. In west Cornwall, the situation is that about one third of the population can get some access to NHS dentistry, and emergency access is even more difficult.

Professor Steele tells me that the unique geography of Cornwall makes it particularly hard to get services in the right place, and when they are not in the right place, travel is, of course, difficult and expensive. Even if the combination of rurality and poverty does not make Cornwall unique, it certainly makes it a very good example of the problems that there can be in delivering services. We in Cornwall hope that, as a result of the review, the review board will come up with proposals that acknowledge the geographically specific problems in some parts of the country, and that it will perhaps even encourage the Government to review again the basis of the funding formula—the allocation and notional level of funding that is available to places such as Cornwall to ensure that they do in fact have adequate provision of dental services.

Midwifery and maternity services in west Cornwall are another subject on which I would welcome the Minister's encouragement. I shall shortly be seeing a group of community midwives in my constituency. They tell me that their complement of midwives in the towns of Helston, St. Ives, Penzance and Hayle in west Cornwall is significantly below the Government's recommended level. That puts pressure on services and on what they can provide in terms of the whole-time equivalent assessment of the population they serve and their work load and its throughput.

I secured a debate on the Government's policy as set out in "Maternity Matters" on 2 May 2007, when I welcomed its principles, but I also asked whether the Government had put the resources in place to ensure that their fine words could be met with action on the ground, so that mothers would have choices in the years ahead. That is clearly not the case in west Cornwall—and I am told that west Cornwall has better midwifery provision than many other communities.

Funding issues underlie all the concerns that I have raised. Services cannot be provided if the funding is not in place, and certainly if there has been a decade or more of considerable underfunding. In contrast with other parts of the country, as a result of its allocation, Cornwall has struggled year on year under the weight of national expectations and as a consequence of patients being aware of national levels of service. I congratulate

[Andrew George]

the Government on their funding in general. Indeed, the Liberal Democrats have always welcomed the funding that the Government have been prepared to put into the NHS across the country, but the allocation has simply left places such as Cornwall behind, year on year, and therefore further behind overall, thus denuding and undermining services and making it increasingly difficult for the professionals who are providing those services to maintain them.

My other theme, which I very much hope the Minister will take on board in his reply, is that we need to provide a structure that not only allows the local community a say through the occasional consultation paper exercise, but genuinely allows locally elected representatives to determine the priorities and champion the interests of their local communities. Many of the decisions taken by the primary care trust are not only technical and medical, but political; they are about the allocation of resources in an area and the implementation of Government policy. We need to decide whether such bodies are simply agents of central Government and the local community is simply something that is occasionally consulted, or whether such bodies are there to reflect the interests and priorities of that local community and to ensure that it is fully engaged in the decision-making process.

5.56 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): I am glad that I managed to catch your eye, Madam Deputy Speaker. I did not intend to contribute to this debate because I did not expect to have the time to do so, but I welcome the opportunity to add a few comments to those made by my hon. Friend the Member for St. Ives (Andrew George).

Although there have been significant challenges for the national health service in Cornwall, the county is greatly blessed in one respect: the quality of staff. The flip side of many of the geographical challenges that we face is that the staff are incredibly hard-working and committed, our staff turnover is a lot lower than that of other places and because the county is such a wonderful place to live we are also lucky to have incredibly and talented specialists who choose to live there. There are great opportunities in Cornwall, but the problem is that successive Governments appear to have been unable to recognise what the challenges are in providing a national health service in very different parts of the country. Our concern is that there has not been significant understanding or recognition of how rural needs manifest themselves and how they need to be addressed.

The Government's approach has been very much to emphasise that the last thing they want is a postcode lottery, but our point is that the problem with a "postcode lottery" is the lottery bit, not the postcode bit. People want health services that address their needs, which may be specific to their communities. The challenges that we face in Cornwall stem from the fact that it is one of the most deprived parts of the country and from the fact that services can be difficult to access because of the geography. In addition, the county has to deal with huge fluctuations in population—Cornwall's population doubles over the summer—which brings different pressures, and we have a greater and increasing number of elderly people compared with other parts of the country.

All those issues throw up different challenges for the health service. My hon. Friend focused on the funding challenges, but they are just one aspect of the wider problem. Successive Governments have given insufficient recognition to the cost of providing health services in rural areas, and although the review has, perhaps for the first time, exposed how big the gap is, we still do not clearly understand how quickly it should be closed. Given that some authorities are far from their target, it is very difficult to understand why overfunded authorities are not meeting the cost of the lowest funded. One can understand why no trust would want its funding to be cut, but I do not understand why the ceilings need to pay for the floors—I hope that makes sense; I might have meant it the other way round.

I have already mentioned the geographic challenges. Cornwall is a long, thin peninsula, surrounded by water on three sides, with one main arterial road that gets very blocked in the summer. That poses specific challenges to the provision of services, and people in Cornwall have to look to other alternatives to meet some of those challenges. Cornwall air ambulance, which is funded entirely by charitable donations, is essential in the summer to ensure that people can be transported to accident and emergency. Last summer, we had the ridiculous situation of motor ambulances queuing outside Treliske, the main accident and emergency centre, to ensure that the hospital met its four-hour waiting times, with the air ambulance having to transfer nursing home patients.

The most frustrating thing is that, while the staff are doing all they can to humanise services, the Government's approach is that one size fits all, which is why dental services fail to reflect the county's needs. Only one NHS dental surgery is treating new patients. There is an obsession with a choice agenda, but in Cornwall the most important thing for many patients is to know that their nearest service—which might actually be a long distance away—will be able to provide them with a certain standard of care.

Many services are being centralised outside Cornwall, and decisions are being taken without an accountable process. The Government just do not get how these things need to work in rural areas. Recently, we had a heated, so-called consultation on transferring surgery for upper gastrointestinal tract cancers to Derriford. The strategic health authority said that, to ensure high standards, the service needed to be provided by a team of people who had the experience to ensure the best outcomes, but it seems that every service is being transferred—salami sliced—further away. The Government should consider operating a specialist network that allows skills to be spread throughout the area. Cornwall could be responsible for delivering one of those specialist services, and people in the county would have access to at least one centre.

Andrew George: I agree with those professionals who argue that we want to ensure the best possible outcome for patients, and if that requires a concentration of services, so be it. But, as my hon. Friend says, we should perhaps look at networks and at ensuring that the concentration comes westward as well as going east.

One of the problems for our constituents is that accessing specialist services requires lengthy journeys—to London for neurosurgery, for example. The health care travel costs scheme is not sufficient for people on low

incomes, but not on benefit. Many of our constituents are clearly disadvantaged by the lack of funding to compensate them for the impact that the concentration of services in just a few places has on them and their families.

Julia Goldsworthy: My hon. Friend is right. No account is taken of the costs or the time taken to travel such distances. In parts of my constituency, visiting a sick relative being treated in Derriford can take three hours by car every day. Such factors should be taken into account, but currently are not.

That can also be seen in other policy areas, where once again the approach seems to be that central Government take a decision and the strategic health authority and primary care trust see it as their role to implement decisions locally rather than to feed information back up the line to make the case for what they consider to be most appropriate for the needs of their area. We see that happening in a variety of ways. The example that springs most obviously to mind is that of walk-in centres. It has been decreed that every primary care trust must have one, and the primary care trust has to justify where it puts the centre and why it is needed.

It turns out that the PCT has decided that the walk-in centre is needed in my constituency. The justification is that it is the most densely populated part of Cornwall and that some regard has been given to the fact that there are lots of migrant workers who will need the centre, as they are unlikely to be registered with a doctor. If such centres are to be of any use, they should be in areas where a lot of people are travelling to work. One could argue that other places in Cornwall, such as Truro, have huge numbers of people travelling into the area every day. If they want flexibility in being able to drop in and see a doctor, they might want the centre to be there.

GPs with surgeries in more rural areas say that the best way of ensuring that migrant workers have access to the health services they need is for an individual relationship to be built up between the surgery and the farmers who employ agricultural workers, rather than simply plonking a massive centre on an industrial centre somewhere. These people, who have no access to their own transport and who might be able to catch a bus every other Monday, if they are lucky, will have no means of getting to such a centre. It seems that the decision is made centrally and then it is up to the PCT to justify why it is needed locally.

Andrew George: I am grateful to my hon. Friend for giving way a second time. This is a rather classic example of the Government's imposing a solution that might be satisfactory in an urban setting but that is still an urban solution to a long-standing rural problem. Cornwall, from the Tamar to the Isles of Scilly, is more than 100 miles long. We have to question whether alternative provider medical services will provide for the whole of Cornwall. The PCT has not been able to show that those services will not undermine the settled provision of existing services in a way that damages the local community or that the benefit of the investment will be spread for the benefit of the whole population served by the PCT.

Julia Goldsworthy: My hon. Friend is absolutely right. The nub of what I am saying is that people in Cornwall are not asking for services that are better funded than those anywhere else in the country. In a debate earlier this week on the impact of the recession on rural areas, my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) emphasised that point. He said that the Liberal Democrats had made the case for extra investment in the NHS, and that people living and working in rural areas had contributed towards that extra investment like everyone else and that they want to see that they stand to benefit in the same way as everybody else. They should have health services that reflect their needs and that are able to meet them. The concern is that that is not happening and that, with the current lack of accountability in the way decisions are taken and resources are spent, they have no opportunity to have their voice heard.

There are two parts to the problem. We must recognise the need and must ensure that there is accountability in decision taking. Unfortunately, for too many people in Cornwall, not only are their needs not being met but their voices are not being heard.

6.8 pm

Dan Rogerson (North Cornwall) (LD): May I apologise to you, Madam Deputy Speaker, to my hon. Friend the Member for St. Ives (Andrew George) and to the House for not being in the Chamber at the beginning of his speech? I was involved in the debate on the Business Rate Supplements Bill and took the opportunity to leave the Chamber for a short while, anticipating that the next debate might continue for longer than it did. I am pleased that you found time to call me to speak, however, Madam Deputy Speaker, and I thank you for that.

I congratulate my hon. Friend on securing the debate, and it is fortuitous for Cornwall that he did so as we have the opportunity to debate matters in more detail than we might have anticipated. He addressed clearly the underlying funding issues in Cornwall and focused on some of the problems that have occurred, sadly, in the management of the Royal Cornwall hospital in Treliske. Of course, in turn that has caused problems for the acute trust, but it is important to note that the deal that has been worked out to allow the PCT to support the acute trust as it gets its finances back on track has longer term implications for resources across Cornwall.

Many of my constituents in the western part of north Cornwall use the Royal Cornwall hospital at Treliske and are very pleased with the service there, but people in the east of my constituency tend to go to Derriford hospital in Plymouth, the Royal Devon and Exeter hospital or the North Devon district hospital at Barnstaple. The question is whether the necessary support for the provision of acute services in Truro is drawing resources away from the more accessible services over the border in Devon.

If we were starting with a blank sheet of paper to plan for health investment in Cornwall, we would probably not begin by placing a major district general hospital in the middle of the county. We might put one in both the west and the east, but that is not how things are. Many patients in the east of Cornwall cross the border into Devon for their health services; not only does that pose

[Dan Rogerson]

transport problems, as I shall explain, but it causes peak-time car parking difficulties at Derriford. The fact that services are concentrated there—it is one of the largest hospitals in western Europe—may need to be examined in future.

My hon. Friend the Member for St. Ives mentioned the problems encountered by people living some distance away from major health care centres such as the Royal Cornwall hospital. A while ago, I came across a case involving an older lady in Camelford in my constituency. Having been prescribed a course of therapy in Truro, she turned to the hospital transport system to get herself there, but the cost became so prohibitive that she decided to abandon the therapy. Although her illness was not life threatening, it was enough to affect her quality of life. The therapy had been recommended by health professionals: they said that it would benefit her, and it was something to which she was entitled on the NHS. The only thing that prevented her from taking advantage of the therapy was the fact of where she lived.

A truly national health service must reach into every community in the country. Those of us who live in rural areas know that, unlike those who live in urban areas, we cannot have all services right on our doorstep. There are other compensations about living in a rural environment that people come to Cornwall—or stay there—to enjoy. However, there is a baseline of provision in all public services that people ought to be able to expect, and health is no exception to that. For that reason, I would welcome anything that the Minister is able to say about hospital transport.

Hospital transport services come under threat when fuel costs rise. Drivers get some money to provide those services, but in effect they end up subsidising them when mileage allowances do not properly reflect the costs that they incur. That problem eased when fuel prices fell recently, but it could return as they creep back up again.

In the past, Health Ministers have said that the problem relating to car parking provision needs to be addressed, as the NHS cannot be in the business of providing subsidised car parking. They have added that people need to accept that there is a cost to visiting hospitals, but that is all very well where there is a public transport alternative. In many areas, however, there is no such alternative to car use.

The problem is most acute for older people. So many young people have left Cornwall that the county has an ageing population, and that problem is predicted to get worse. Many older people would prefer not to be forced to use their car to travel the large distances involved in accessing health services, but that is what they have to do.

At the meetings that I have had with PCT representatives, they have said that they are keen to work with the acute trust and consider providing more community hospitals. That, of course, is something to be welcomed. There are many clinics, and there has been wider provision in some areas, but a lot more remains to be done on that. If the NHS were able to concentrate, in rural areas, on trying to widen the range of services available in our excellent community hospitals, that would make a great contribution to overcoming the problem of access; transport seems to be proving a barrier.

Julia Goldsworthy: To follow up on my hon. Friend's points about primary care trusts saying that the cost of providing car parking needs to be recovered, is not the problem that, in some cases, the amount charged for parking is far in excess of the cost, and that trusts are generating an income, rather than simply covering their costs?

Dan Rogerson: My hon. Friend is absolutely right. It is fair to say that different trusts have taken different views. For example, the Plymouth Hospitals NHS Trust, which covers Derriford hospital, has recently undertaken a review, and has introduced much cheaper shorter-stay parking for visitors, which I welcome. The trust consulted widely before doing that. Unfortunately, probably because of the financial pressures that we have discussed, in Truro the situation is different. I do not want to drag the Minister too far into the specifics, but the barrier system introduced there means that people who are visiting for a long period, such as those who are visiting a sick child in the hospital, may pay for 24 hours of parking; however, if they leave the car park, going past the barrier, during the day and come back in the evening, they have to get a new ticket to get back in, although they have paid for 24 hours. That really adds to people's costs, and if anything can be done to look into that, it should be done.

We have heard a little bit from my hon. Friends the Members for St. Ives, and for Falmouth and Camborne (Julia Goldsworthy), about the issues relating to the new health care provision that is to be allocated to the Falmouth and Camborne constituency. The model is a walk-in surgery for harder-to-access groups. Of course there are issues to address; we have migrant workers in Cornwall, and anything that can be done to make sure that we have adequate provision for everybody is all to the good. However, that proposal will divert resources into setting up a facility that, as my hon. Friend the Member for St. Ives said, is really aimed at an urban area. There may well be a solution that would have worked better in a rural area.

My constituents in Bude-Stratton and Camelford have been waiting for a long time to get decent medical centres in their area. Bude-Stratton is one of the most remote towns in Cornwall. It has been pretty near the top of the list for a new medical centre for a while. It has outgrown its older premises, and campaigners in the area, such as Mrs. Candy Baker, have long fought to make sure that the primary care trust is aware of that. It is below Camelford on the list, and I have arranged a meeting, to be held in a few weeks' time, at which representatives from the local improvement finance trust company—Community 1st Cornwall—community groups and, I hope, the PCT will come together to talk about that situation. However, we have done that before, and we are not that much further forward. Of course, in those communities, there may be land and planning issues that delay matters, but the resources that are being put into the sort of centre that my hon. Friend the Member for Falmouth and Camborne spoke about may well have helped to overcome some of the problems, and might have taken us further forward in health care provision.

My hon. Friends the Members for St. Ives and for Falmouth and Camborne have raised crucial issues about accountability, which is not just about people

having confidence in the system as a whole, but about their being able to influence where those resources are used and how they are spent locally. My hon. Friend the Member for Falmouth and Camborne and I are on the Local Democracy, Economic Development and Construction Bill Committee, which has had great discussions about the use of petitions. Upper gastrointestinal surgery, to which both hon. Friends have referred, is an example of an issue on which people are petitioning anyone whom they can think of, because they are not quite sure where the accountability lies. Despite having gone through the processes, and having become far greater experts on health funding than many hon. Members in this House—campaigners become experts during the course of their campaign—those campaigners will probably feel that they do not have the influence over decisions that they would like. That is a problem for us all.

My hon. Friend the Member for St. Ives mentioned midwifery services. The situation is exactly the same in North Cornwall. As the father of three children under the age of five, all of whom were born, by Caesarean section, in the Royal Cornwall hospital in Truro, I am well familiar with the services, and the excellent work that the staff there do. However, looking at the period covering those three deliveries, I have to say that I have noticed that the staff are perhaps a little more stretched than they were when my eldest son was born in 2004.

Community midwifery services have played a fantastic role. Arwen Folkes has driven forward the "real baby milk" campaign in Cornwall, and I think that it is being rolled out in other trusts across the country. She very much welcomes the opportunity to work alongside midwives to provide that service. Sure Start benefited in North Cornwall from having a midwifery service, but it has had to be withdrawn because of the overstretch in midwifery. I hope that that issue can be resolved.

Finally, I refer to mental health. We could spend a whole evening discussing that. The Cornwall Partnership Trust has had to deal with problems relating to learning disability, but it is now moving beyond them. I have had the privilege of seeing a number of new facilities that it has opened, which is good, but the community services in particular are extremely overstretched. The fundamental problem is that resources have had to go into the Royal Cornwall hospital at Treliske. Until the financial situation is resolved, the partnership trust will not be able to deliver the sort of community mental health services that we would like to see.

6.20 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): I was wondering how long it would take before I was called to speak. The hon. Member for St. Ives (Andrew George) put his argument fairly. Essentially, he said that the area had received a significant increase in funding, but it was not enough. I have a great deal of sympathy with his case. The Government clearly have a funding target. It will take time—I shall explain why—to reach that target.

The hon. Gentleman argued the case well. It is incumbent on the Government to ensure that we put in place the right formula and the adjustments that that requires. Both increases and, as he rightly said, decreases over time for some areas, or at least smaller increases than they might have expected, need to be phased in. As everyone knows, there is no unlimited pot of money. The Government have tripled the funding going into the NHS, and the hon. Gentleman rightly welcomed that. However, we must ensure that funding is properly managed. Very often that is done at a local level.

The funding formula needs to be reviewed from time to time. As the hon. Gentleman rightly said, the review was overdue, but it has now taken place. Part of the formula was set by the previous Conservative Government and it was enormously unfair to certain areas. We have put that right, which will result in Cornwall getting more money, as he recognised. He put his case fairly, as did the hon. Member for North Cornwall (Dan Rogerson).

The hon. Member for Falmouth and Camborne (Julia Goldsworthy) indulged in a bit of party political knockabout. Somewhere in the knockabout were a few serious points, but when she got to them, they struggled to get out. One thing on which I agree with her is that it is important that we congratulate NHS staff on their dedication and hard work. They are improving the quality of services in Cornwall and across the country, and they are working hard to do so.

As medical science continues to advance, the NHS becomes capable of ever more extraordinary feats of clinical care. For some complex procedures, well-equipped and well-staffed specialist centres are more effective. There, round-the-clock consultant and specialist nurse expertise can be assured and expensive technology can be concentrated. An increasing amount of care is happening in the NHS, and much of it is out in the community in GP practices, health centres and people's homes, with more complex, specialist or emergency care concentrated in a few more specialist centres. However, Ministers or civil servants in Whitehall do not decide the organisation of local health care. It is decided by local health care professionals on the ground. Organisational changes must be based on medical grounds and what is best for local patient care.

Finance is one of the key issues. The NHS has benefited from an unprecedented growth in finance. When the Government first came to power, health spending was just £426 per head. In 2010-11, it will be £1,612. In 2009-10 and 2010-11, primary care trusts will be allocated £164 billion. That means that, on average, PCTs will receive an increase of more than 11 per cent.—actually, 11.3 per cent.—or an extra £8.6 billion. The people who are best placed to make decisions are those closest to it, and more than 80 per cent. of the entire NHS budget is now in the hands of local PCTs—a higher proportion than ever before, under any Government.

Andrew George: Will the Minister give way?

Mr. O'Brien: I shall, but I was just going to go on to the hon. Gentleman's precise point, so I shall happily give way in a moment.

The hon. Gentleman's point was about the formula, and the independent Advisory Committee on Resource Allocation is made up of GPs, NHS management and academics. It developed the fair funding formula to determine each PCT's share of resources, and the new funding formula has been used for the 2009-10 and 2010-11 allocations. It takes account of the new information and builds upon and improves the previous formula so that it continues to meet the objectives of equal access for equal need and the reduction of health inequalities. The review leading to ACRA's recommendations was comprehensive and led to important changes.

[Mr. Mike O'Brien]

When a new funding formula is introduced, the distance between a PCT's target allocation and its actual allocation will change. Its actual allocation may move from being over-target to under-target or vice versa; it all depends on the relative need of the PCT's population, as determined by the new formula. A change in target allocation does not mean that a PCT loses out—far from it; the new formula affects a PCT's funding target and not, initially, the money that it actually receives. We are committed to moving PCTs closer to a fairer share over time.

I know that the hon. Gentleman feels that his local PCT should have been moved more quickly towards its target, and that is a fair point. However, there must always be a need to balance continuity and stability in NHS funding. If a PCT is under-target, it will benefit from higher growth than others. The amount that local PCTs, such as his, receive will increase at a higher rate than it will for those that are in the opposing position and being paid over-target.

What matters is not the distance from target but the levels of increased actual funding. I know that there is a historical issue as a result of the very issues that the hon. Gentleman raised, but to rectify any alleged underfunding would effectively mean reopening all the previous allocation rounds, and we are not in a position to do that. We must recognise that we are where we are and have to have a fair and reasonable funding formula for the areas to which it applies. Furthermore, we must not in any way undermine the stability of NHS funding and long-term planning, either in areas such as his, which benefit from the new criteria, or in areas that do not receive the increase that, up to now, they had expected.

Andrew George: I am very grateful to the Minister for giving way. I think that I acknowledged in my opening remarks much of what he has said. I have two questions. First, he said that the PCTs were taking the relevant decisions, and he described that as in some way local. However, those people are appointed indirectly by the Government and are not accountable to the local community, so I should welcome his thoughts on whether Cornwall might be one of the pilot areas where more local decision making takes place.

Secondly, on the formula itself, I acknowledge that Cornwall's allocation is going up not by 11.3 per cent. but by 12.4 per cent., which is clearly welcome and above the national average. However, it is only a small degree above, and the county will take years to get even close to its target. Does the Minister not agree that some of those national programmes, such as the alternative provider medical services roll-out, the independent treatment centres and so on, involve decisions that would be far better taken in the local community by local people, and that it would be far better to apportion that money in order to move PCTs much more quickly towards their target?

Mr. O'Brien: On the question of PCT members, the hon. Gentleman is aware that an independent appointments commission deals with such matters. Ministers do not determine who joins those committees, and the aim is that, wherever possible, people should be appointed locally. I take that view and encourage the appointments commission to ensure that people are genuinely local and have lived in the area at least for a period. That does not always happen, but that is because the commission is trying to get a balanced membership.

One party will say, "Cut this and provide increases for that"; that is always part of political debate. The key point is that as a result of the Government's changes, the hon. Gentleman's PCT is looking at larger funding increases than those for many other areas of the country. The PCT funding allocation for Cornwall and the Isles of Scilly is £808.4 million for this financial year and £856.2 million for 2010-11; in 2006, it received £1,227 per head and it received £1,488 per head this financial year. Furthermore, it will receive £1,558 per head next year.

There will be a steady improvement in the PCT's finances. The NHS in Cornwall is relatively healthy. Staff there are working enormously hard and making an enormous contribution. The funding for them is increasing; they can look forward to that increase as a result of the decisions made following the review. The draft end-year accounts of the hon. Gentleman's PCT and acute trusts show surpluses of approximately £5.6 million and £2 million respectively, so there is still some latitude in the budgets. However, I appreciate that some PCTs want to put aside cash and roll it over to fund particular projects later.

Andrew George: I am not begrudging the increases that the Minister has just mentioned; indeed, I welcomed them in my opening remarks. However, the proportion of funding available to Cornwall and the Isles of Scilly is still significantly distant—6.2 per cent.—from its ultimate target. The acute trust is clearly not just in a recurring balance; it is also paying back some of the historic debt. The Minister may argue that the situation is due to past mismanagement—not that local communities made the decisions—but the fact is that Cornwall has been chronically underfunded in comparison with the rest of the country, and that is clearly the primary cause of the pressure on mental health, dentistry and other services there. It would be helpful if he acknowledged that that is a likely outcome of a long period of historic relative underfunding.

Mr. O'Brien: The hon. Gentleman and I could stand here and knock seven bells out of the previous Conservative Administration, saying that their funding formula was awful and that they are to blame for a lot of the problems in the health service. We can both agree on that, but I am not sure that it will take us very far. We have to deal with the current problems. The situation is not just one in which the Government can decide to give a lot of extra money to one area; the funding is allocated. The issue is devolved and pushed down to the PCTs. If we take funding from one area to give to another area such as Cornwall, we will create problems for that first area.

The best way of managing the situation is by making it clear that we recognise when there is a strong and good case, and we have been clear that Cornwall has a good case. We have acknowledged that and increased the funding steadily to bring it up to the target that we want to hit, without damaging other areas. We want to make sure that the issue is addressed over a period of time. We can rehearse this argument time and again, but that is essentially how the Government approach it. Such an approach is a perfectly reasonable way to ensure NHS funding stability.

Andrew George *rose—*

Mr. O'Brien: I give way for the last time.

Andrew George: I am grateful to the Minister; he is being extremely patient, and I appreciate that.

Of course, one's view of reasonableness depends on from which end of the telescope one is looking at the matter. The Minister says that things will happen "over a period of time". How long does he anticipate that it will take for Cornwall and the Isles of Scilly ultimately to reach these targets at the current rate of progress?

Mr. O'Brien: I cannot give the hon. Gentleman a precise period. Assuming that we stay in office and the other lot do not get in—sadly for him, I am not talking about his lot—we will steadily increase NHS funding. We all know about the issues in relation to the wider political debate and the fact that the main Opposition party does not have a good record on the NHS, so it depends to some extent on what happens in the future. However, we are committed to moving towards the targets. We accept the funding formula that has been agreed, and as a result, over a period of time, Cornwall will steadily benefit from those changes.

The hon. Gentleman raised several other issues apart from finance, including dentistry and midwifery. On midwifery, Cornwall and Isles of Scilly PCT has invested an extra £1.6 million in maternity services in the three years from 2008-09. Women in Cornwall ought to have the choice as to where they have their baby, whether at a midwifery-led unit or at home, and in the years ahead we want to ensure that they do have that choice. He says that it is not always available, but in my experience that is sometimes because people have not been informed or simply do not know that they have a degree of choice about where they can give birth. There is a real need for better information and better engagement with local communities. We need to ensure that PCTs are out there telling people about the choices that they can have. Sometimes those choices are not exercised for the convenience of the system—because it is easier, safer and so on to have children in hospitals, or so some think. Choice should be given to women, and it is important that it is available and publicised.

As for dentistry, people in Cornwall are still unable to access an NHS dentist as quickly as they would like. The latest figures show that Cornwall and Isles of Scilly PCT saw fewer patients in the past two years than the national average. I can see that there is an issue in that regard, because that represents 51 per cent. of the population as against 53 per cent for England as a whole. The PCT knows that access to NHS dentistry is an important issue for it. In 2007, it produced an oral health strategy, and it is working further to grow its services and to promote oral health. We can already see the difference being made. In March 2008, the PCT had 1,800 patients waiting for an NHS dentist; now, there are only 160 patients. That is 160 too many, but progress is being made.

The PCT is committed to making sure that everyone who wants NHS treatment is able to get it, and its current and future plans will provide services for around 33,800 additional patients. The PCT has received an additional £2.5 million—an 11 per cent. increase—in its dental allocation. That is a pretty good increase. The hon. Gentleman is right to say that we are looking forward to the report of Professor Jimmy Steele in the not-too-distant future. I hope that as a result of that we will see even further improvements in how dentistry is dealt with.

Recent new dentistry investments include the appointment of three new dentists in Truro and one in Falmouth in July and August 2008, and the opening of a new practice in Launceston with capacity for 5,000 patients in February 2009. March saw another tranche of new practices opened, providing services for 7,000 new patients in Newquay, 2,000 in Bodmin and 4,500 in Torpoint. In April, a new practice opened in St. Austell with capacity for 7,000 patients. I understand that it will be officially opened by the chief dental officer, Barry Cockcroft, later this month. The PCT is continuing that programme of expansion, and over the next 12 months it will provide dental services for an additional 8,160 patients across Liskeard, Tregony, St. Ives, Bodmin, Threemilestone and Truro. That represents a fair amount of work and investment being put into the area.

The hon. Member for North Cornwall made a couple of points that I wish to engage him on. The first was about hospital transport, and he was absolutely right about rural areas. I represent an area that has a large rural hinterland, and it is enormously important that people can get access to transport to a hospital. We need to work harder to ensure that PCTs recognise the importance of ensuring that transport arrangements are in place, particularly when services are located in tertiary and high-skill hospitals, as is often safer. The distance involved needs to be taken into account to ensure that we do not increase risk. It is all very well to say that a patient is safer when they get to such a hospital, but getting them there is also a problem, particularly if access to transport is not easy. It is important that PCTs recognise that they need to take serious account of transport in rural areas.

The hon. Gentleman also mentioned car parking, and he made the fair point that patients and primarily visitors complain that they have to pay for parking when they go to a hospital. They ask, "Isn't this supposed to be a free NHS?" I, too, have had constituents come and complain to me, asking, "Why are we paying for car park charges in the local hospital?" As he said, they get very annoyed, particularly if they are making long visits, perhaps to a child who has to stay in for a long time.

The hon. Gentleman's point was fair, and there is a reasonable debate to be had about the matter, but I would respond that there is still a choice to be made on budgets. He and others have talked about budget limitations, and there will always be such limitations. We all know that NHS inflation is a particular problem in relation to the costs of medicine. There will therefore always be pressures on NHS budgets, despite the fact that we have tripled the amount of money going in.

There will always be decisions to be made, and it is important that they are made locally. PCTs must recognise that there is a choice, and that they are better off spending money on patient care than on car parks. There is a high cost to car parks through building, maintenance, servicing, safeguarding, insurance and so on. In principle, it is better that the funding goes to patient care. However, there is always a balance to be struck, and the costs that visitors and patients pay

[Mr. Mike O'Brien]

should be reasonable, with account taken of the pressures on people who have to go to hospitals regularly. The charging of very large sums to people who have to visit on a daily basis for a prolonged period because of their circumstances is often unfair. PCTs have to examine that in the context of the pressures on a local hospital.

Dan Rogerson: I would not expect the Minister to have answers about hospital transport straight away. Primary care trusts operate in a framework of Government policy, and that is fine because we have a national health service, but it means that they tend to concentrate on aspects that they have been asked to deliver as priorities. Transport to health services may not currently be at the top of the Government's agenda, and all I ask is that the Government take it into account in ongoing reviews and, if they find good models, to ensure that best practice is shared. It is important to get it right because, although those who need in-depth treatment or surgery will get themselves to hospital somehow, those with something that is not life-threatening may, like the lady in Camelford, choose not to go. That is part of the problem that prevents good outcomes.

Mr. O'Brien: The hon. Gentleman makes a fair point. When we examine access to health care in future, we need to bear in mind transport and transport costs for patients. I agree that, when we review NHS funding and priorities, access and transport should be included. Not only transport in rural areas but car parking and the problems with it should be part of the equation.

I hope that the debate has gone at least some way towards reassuring the hon. Member for St. Ives that funding for Cornwall and Isles of Scilly PCT has not been eroded by the Government with deliberate intent. On the contrary, we want more funding to go to Cornwall. We must ensure that we balance the priorities in the NHS budget, but the hon. Gentleman made his point fairly and I hope that I responded fairly. Investment will continue in Cornwall. The underfunding—which I do not dispute—will be tackled and services in Cornwall will continue to develop in new and innovative ways, in line with people's expectations of the NHS in the 21st century. The future for Cornwall NHS looks better for the changes in the funding formula.

Question put and agreed to.

6.47 pm

House adjourned.

Deferred Division

EXTERNAL SERVICE

That this House takes note of European Union Document No. 5289/09, Commission Communication on the Development and Consolidation of the External Service: Implementation of Measures for 2008; and endorses the Government's policy of support for the developments to the European Commission's external service in 2009.

The House divided: Ayes 305, Noes 160.

Division No. 151]

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Butler, Ms Dawn
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Farron, Tim
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Goggins, rh Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGrady, Mr. Eddie
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui

Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek

NOES

Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Nadine
Drew, Mr. David
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Wiggin, Bill
Willetts, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Thursday 18 June 2009

The House met at half-past Ten o'clock

PRAYERS

The Clerk at the Table having informed the House of the unavoidable absence of the Speaker from this day's sitting, the Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Oral Answers to Questions

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Electoral Systems

1. **John Robertson** (Glasgow, North-West) (Lab): What recent assessment the Electoral Commission has made of the potential effects on levels of voting of the use of different electoral systems; and if he will make a statement. [280570]

Mr. Gary Streeter (South-West Devon): The Electoral Commission informs me that, although it collects turnout figures after each election, it has not undertaken research on the impact on turnout of different electoral systems. However, the commission does provide information to electors, through its public awareness campaigns, on the way in which different electoral systems work, and on how they may cast their vote.

John Robertson: I thank the hon. Gentleman for his answer. I have always felt that the Electoral Commission should look in more detail at the different electoral systems, particularly as we have so many in the United Kingdom as a whole. What was the turnout when electronic voting was used, and with postal voting?

Mr. Streeter: The Electoral Commission is certainly prepared to carry out the research that the hon. Gentleman has in mind if the Government ask it to do so. I am afraid that I do not have figures on turnout using electronic voting and postal voting, but the number of people who vote by post has increased significantly since 2000, and now roughly 15 per cent. of those who exercise their vote do so by postal means.

Mr. Denis MacShane (Rotherham) (Lab): Is it not a fact that we have elected two Jew-hating racists to represent us in the European Parliament—we have done so in the form of British National party electors—even though in Yorkshire the BNP got fewer votes than it did in 2004? What is the reason? In the 2004 European Parliament elections, there was an all-postal ballot and almost twice as many people voted. I understand that there are some fiddles in postal voting, but we must look much more seriously at encouraging all-postal ballots, because that is the best way to prevent the fascists from being elected to represent our nation.

Mr. Streeter: The Electoral Commission certainly supports a thorough modernisation of electoral processes in this country and has made recommendations to the Government, but the electoral systems that we employ in this country are very much a matter for this House, not the Electoral Commission.

Mr. David Heath (Somerton and Frome) (LD): Is it not a fact that people vote in large numbers when these two circumstances apply: first, they think that the body that is being elected matters to them; and, secondly, they think that their vote will actually make a difference—that their vote counts? Are not those the issues that we, not the Electoral Commission, ought to consider so that we make our electoral system fit for purpose?

Mr. Streeter: There are, of course, a number of issues that affect voter turnout at all elections. It might interest the House to know that the probable figure for turnout at the European elections this year was 34 per cent., which was down on the figure of 38.5 per cent. five years previously. However, a number of issues affect voter turnout, and the hon. Gentleman is quite right that, although some are for the Electoral Commission to consider, many are for this House and the political parties in it.

Mr. Andrew Mackay (Bracknell) (Con): May I suggest to my hon. Friend that it would be useful for the Electoral Commission to carry out a full investigation into, and produce a report on, the recent European elections? Most of us believe that the prospect of voting for a list puts people off voting, but that people do like to vote for an individual elected representative. As the right hon. Member for Rotherham (Mr. MacShane) just said, a system that allows an extremist party to be elected with a small number of votes is not a system that we should encourage.

Mr. Streeter: The Electoral Commission is carrying out a survey of the effectiveness of the recent elections to the European Parliament, and I entirely agree with the right hon. Gentleman that a number of factors have to be taken into account. However, the electoral system that we put in place for future European Parliaments, or for any election in the United Kingdom, is a matter for this House, not for the Electoral Commission.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Surface Water Drainage Charges

2. **Miss Anne McIntosh** (Vale of York) (Con): What assessment he has made of the effect on the Church's finances of the new system of charging for surface water run-off on church property. [280571]

The Second Church Estates Commissioner (Sir Stuart Bell): I estimate that surface water charges by area will cost the Church of England at least £5 million and a further £10 million for highways drainage contributions. The effect of these cost increases on individual parish churches and cathedrals will vary, but I assure the hon. Lady that every church will face an increase.

Miss McIntosh: I am most grateful to the hon. Gentleman for that answer. Does he agree that there should be a moratorium on the imposition of those charges until a complete impact assessment has been made? Will he support the early-day motion to that effect which stands in my name and those of my right hon. and hon. Friends? Will he also look at the formula that Yorkshire Water, which serves my constituency, has come up with? It causes the least damage where the introduction of those charges applies.

Sir Stuart Bell: I am grateful to the hon. Lady. We will certainly look at any proposal or scheme seeking to ensure that the least possible damage is done to churches as a result of water charges. We have heard some encouraging noises from Ofwat and the Government, but we hope for something more tangible and, from the Church's point of view, for a broad, permanent exemption. That is what we are seeking to achieve with Ofwat.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Select Committee on Environment, Food and Rural Affairs, of which I am a member, is undertaking a review of Ofwat's charging policies, and we had the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), before us yesterday. He made it quite clear that Ofwat has not only a brief but a duty to ensure that charging systems are fair and avoid creating hardship. May I suggest to the Second Church Estates Commissioner, that the Church Commissioners make strong representations to ensure that Ofwat delivers on what he described as encouraging noises?

Sir Stuart Bell: I am grateful to my hon. Friend, who will know that we have had discussions with Government and Ofwat representatives. Those discussions are continuing. Our difficulty appears to be that water companies, with the possible exception of the Yorkshire water authority, are charging churches and other voluntary bodies as if they were big businesses. We are seeking to argue that that cannot be morally or ethically right and that it is not a balanced approach. The Government respond, but whether they do so sufficiently and significantly is another matter.

Miss Julie Kirkbride (Bromsgrove) (Con): May I, too, urge the hon. Gentleman to make strenuous representations on this matter with both Ofwat and Ministers? As he has just said, the issue involves not only the churches but other voluntary bodies such as scouting organisations. Such bodies are very important to our national life, are not big businesses and cannot afford the charges. If the charges go ahead and they are not able to operate, that will diminish our national life.

Sir Stuart Bell: I am grateful to the hon. Lady. She will be happy to know that at yesterday's annual general meeting of the Church Commissioners, I raised that specific point. I said that it was encouraging that the Church, through the Synod and the Archbishops Council, was working with scouting and other organisations. The Archbishops Council has led the way in this matter on behalf of the Church, along with the Church Commissioners, but the House has to give, as I think it has done, a strong message to Ofwat in addition to all the other representations that have been made.

Sir Patrick Cormack (South Staffordshire) (Con): I thank the hon. Gentleman for what he has said, but urge him to redouble his efforts. As he may be aware, I have seen and corresponded with the chief executive of Ofwat. Although charming and courteous, he has not delivered as he should have. Does the hon. Gentleman agree that it is extraordinary that the body set up to protect the public is creating this appalling problem? Will he once again approach the chief executive and the appropriate Ministers?

Sir Stuart Bell: I am grateful to the hon. Gentleman. Among other things, Ofwat is misdirecting itself on these issues. It seems to be suggesting that the new charging regime is an ecologically sound policy. Let me say that the Church takes environmental issues seriously, and that we do not necessarily accept that argument. I refer the hon. Gentleman to my statement in *Hansard* on 5 February at column 972, in which I asked the Government to intervene robustly on behalf of the churches and other organisations. I will be happy to repeat that request to the Government.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Early Voting

3. **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): What recent discussions the Electoral Commission has had with the Ministry of Justice on proposals for the introduction of early voting in elections. [280572]

Mr. Gary Streeter (South-West Devon): The Electoral Commission informs me that it believes that giving people the option of voting in person in advance of polling day would improve access to the electoral process. In May 2009, the chair of the Electoral Commission wrote to the Minister of State, Ministry of Justice, the right hon. Member for North Swindon (Mr. Wills), reiterating the commission's view on early voting in the context of a wider strategy for the future of elections. It also responded to the Government's 2008 consultation on weekend voting.

Mrs. Riordan: Two weeks ago, voter apathy and electoral disengagement hit an all-time low; turnout plummeted to 16 per cent. in my region of Yorkshire. I recently met the Minister of State, to discuss my plans to introduce early voting in the UK. There was early voting in the recent American election, in which voters

flocked to the polls over a two-week period. Clearly, one day's access to the polls is not enough in today's society. Will the Electoral Commission therefore discuss plans to introduce early voting?

Mr. Streeter: The Electoral Commission informs me that it is not opposed in principle to moving polling day to the weekend. However, it does not support such a change at present because there is a lack of compelling evidence to show that such an arrangement would be more convenient or accessible for electors, and increase turnout. As has been said, there are a number of reasons voters do not turn up to vote at elections, many of which relate to the political parties and our conduct in the House. All of us—not only the Electoral Commission—should consider how to increase voter turnout in this country.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Bats

4. **Mr. Andrew Robathan** (Blaby) (Con): What assessment the Church Commissioners have made of the cost to parishes of dealing with bat populations in churches in the last five years. [280573]

The Second Church Estates Commissioner (Sir Stuart Bell): We do not collect the figures, but I know that a significant number of churches—mainly rural ones—are coping successfully with bats, as they have done for centuries. Cleaning and protecting contents costs volunteers time and money; in some cases even that is not enough, and the bats cause damage and create hygiene problems.

Mr. Robathan: Before I get swamped with letters about this, let me make it clear to all those outside the House that I like bats, I love seeing bats flying and I want bat populations to flourish. However, there is a serious issue about the damage that is being done by bats, particularly to historic and beautiful old churches and other buildings. Could the Church Commissioners get together with the Department for Environment, Food and Rural Affairs, English Nature, Natural England and English Heritage to come up with a holistic approach? Bats do not have to live in belfries; they can go and live elsewhere. They are natural animals; they do not need us to produce churches for them. This needs sorting out, because it is costing parishes a great deal of money and damaging our historic structures.

Sir Stuart Bell: I am grateful to the hon. Gentleman for his question. He is a great authority on bats. I can share with the House the fact that he is also a great authority on newts—but the Church Commissioners are not responsible for newts, although they may be responsible for bats in the belfry. He mentioned DEFRA, English Heritage and Natural England, but he omitted to mention the Bat Conservation Trust. We are working with all those organisations to strike a sensible balance. I will be pleased to feed in the points that he makes, which are very pertinent to these discussions. In the past, we have had a good deal of success in accommodating bats, but the fact that we continue to raise the issue in this House reflects the fact that it is a problem in churches up and down the land.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

Contingencies (Underspend)

5. **Mr. Philip Hollobone** (Kettering) (Con): What the Public Accounts Commission's most recent assessment is of the likelihood of an underspend on contingencies in the National Audit Office estimate for 2009-10, as referred to in HM Treasury's note to the commission of 10 March 2009. [280574]

Mr. Edward Leigh (Gainsborough): When the commission took evidence on the National Audit Office resource estimate on 17 March 2009, the NAO told us that it hoped to be able to surrender some of the contingency included in the revised budget for the repair and refurbishment of its headquarters, and it has confirmed that that remains the position.

Mr. Hollobone: I thank my hon. Friend for his helpful answer. The NAO estimate for 2009-10 is 3 per cent. above that of the previous year at a time of negative inflation. Clearly, it aspires to achieve cost reductions across its range of activities. When will it be made clear to this House that those cost savings might begin to be reflected in the total support that the NAO seeks from Parliament?

Mr. Leigh: For every £1 of taxpayers' money that the NAO spends, it saves £9 for the taxpayer. Considerable extra work has been given to the NAO by the Public Accounts Commission. My hon. Friend is asking about the contingency fund and expenditure on the NAO's new headquarters. It tells me that it is seeking to achieve a £1 million underspend against a revised project budget, and the project will be delivered on time in November. It is a success story that we should be proud of.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Economic Downturn (Assistance)

6. **Ben Chapman** (Wirral, South) (Lab): What steps the Church Commissioners are taking to assist the Church during the economic downturn. [280576]

The Second Church Estates Commissioner (Sir Stuart Bell): Despite the economic downturn, the commissioners plan to maintain the level of their distributions in cash terms this year and into next year.

Ben Chapman: Will my hon. Friend assure me that when the commissioners look at expenditure in cash terms there will be a keen prioritisation and selection of expenditure categories, because that is going to be vital? Will the selection of those priorities will reflect the needs of the 21st century Church?

Sir Stuart Bell: I am grateful to my hon. Friend. Supporting the Church's ministry, particularly in areas of need and opportunity, is the priority that the Church sets itself. We want to spend our sums wisely. This summer we are holding a series of conferences with our beneficiaries, and that detailed engagement will help us to assess the priorities to which he refers; we then seek to help the growth of the Church.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

European Parliamentary Elections

7. **Simon Hughes** (North Southwark and Bermondsey) (LD): What plans the Electoral Commission has to make an assessment of the effectiveness of the arrangements made in the UK for the June 2009 elections to the European Parliament. [280577]

Mr. Gary Streeter (South-West Devon): The Electoral Commission informs me that it plans to publish its statutory report on the administration of 2009 European parliamentary elections in October this year.

Simon Hughes: I am grateful to the hon. Gentleman. I welcome him to his new responsibilities, as does my hon. Friend the Member for Somerton and Frome (Mr. Heath), who spoke earlier.

Will the hon. Gentleman pass on to the Commission a specific request that two matters be looked at? First, did the facility work for people who are European Union citizens and are allowed to vote here but have to fill in a form to make it clear that they are going to use their vote only in this country rather than in their country of origin, and how many people used it and so on? The second matter is how accessible the venues for voting are generally. I still take the view that they are often in hidden-away places that long-standing locals might know, not places where most of the public go in the course of their daily business.

Mr. Streeter: The Electoral Commission is extremely keen to increase voter turnout at all elections, and the hon. Gentleman's point will certainly be taken into account. The commission would like me to inform hon. Members that it is keen to hear from many sources about the conduct of the elections that have just taken place, including Members of Parliament. If anyone has particular representations to make, they will be warmly received by the Electoral Commission, and I will certainly ensure that his comments are passed on to it.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Theft (Shops)

9. **Miss Anne McIntosh** (Vale of York) (Con): How many prosecutions have been brought by the Crown Prosecution Service for offences of theft from shops in each of the last five years; and if she will make a statement. [280579]

The Solicitor-General (Vera Baird): The Crown Prosecution Service records count defendants proceeded against for offences of theft and handling, but they do not separately identify the premises where the offence takes place, so we cannot tell the hon. Lady about theft from shops, which I believe she is interested in. I can, however, tell her the overall number of people prosecuted for theft, which is reasonably constant at around 140,000 to 150,000 a year, but the conviction rate has risen considerably over the period in which she has an interest.

Miss McIntosh: I am most grateful to the hon. and learned Lady for that full answer. Will she support my private Member's Bill, which will be considered tomorrow, in which I call for more cases to appear before the courts when there are persistent offenders or when the goods taken from a shop are of high value? The credit crunch has led to a higher incidence of shoplifting and shop theft, and I know that the Government are concerned about that. If a first-time offender is involved or goods of only a small value are stolen, I can understand the value of a fixed penalty notice, but the thrust of my Bill is to allow the cases that would best benefit from coming before a court to do so. That would allow for restorative justice, and for the offender to get some treatment if it is—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We must not have the Second Reading debate now.

The Solicitor-General: I have a sense that the hon. Lady and I are growing old with her asking me questions about shoplifting and me trying to answer them even though we do not have the figures that she perpetually seeks. She knows that appropriate use of penalty notices is a constant concern within Government, and we keep it under review. She makes a powerful point about the impact of the credit crunch, which has to come into all our considerations. She knows that the decision whether to prosecute has a public interest component, and I am reasonably satisfied that all those factors are kept under review and applied consistently and conscientiously.

On the specific question whether I will support the hon. Lady's Bill tomorrow, I am afraid that I will be in Redcar.

Mr. David Heath (Somerton and Frome) (LD): Has not the hon. Member for Vale of York (Miss McIntosh) got an important point? The problem with fixed penalty notices, particularly for shoplifting, is that the person involved does not have contact with the prosecution authorities or the courts. The underlying reasons for the offending behaviour are never recognised, so they are not dealt with. It seems to me, and I think to a lot of

people, that if we are stop those who shoplift because they have a drugs habit or extreme social difficulties, it is better that they are placed before a court, which can take appropriate action. Fixed penalty notices get in the way of that.

The Solicitor-General: It does depend on what kind of offender is before the authorities. Where there is a clear need that has a criminogenic component—drugs, drink or whatever it is—I agree with the hon. Gentleman that it is appropriate that that be tackled. Otherwise, there is no getting to the root of the problem. It is intended that penalty notices should be used when those factors are not present.

There is a scale as to when diversionary penalties of one kind or another are intended to be used—knowing the hon. Gentleman's responsibilities, I am sure that he has seen it—with a penalty notice for disorder right at the bottom. Where particular causes become obvious, there are such things as conditional cautions right at the top of the scale, which then leads quickly into court. I agree in principle that the hon. Gentleman is right, but we need to ensure that PNDs are used against the right people. They are a useful tool for the police, as they can deal on the spot with a minor offence that does not show any signs of the causes that he mentions, and as such they have considerable use, but in principle he is quite right.

Rape

10. **Fiona Mactaggart** (Slough) (Lab): What recent progress has been made in monitoring the Crown Prosecution Service's performance in relation to prosecutions for rape. [280581]

The Solicitor-General: The Crown Prosecution Service has recently started a series of visits to police force and CPS areas. The visits are being undertaken by a joint team with the police to assist the implementation of recent guidance, assess current performance area by area and provide guidance on improving performance and sharing good practice.

Fiona Mactaggart: I thank the Solicitor-General for that reply. In February, I received a reply from a Justice Minister claiming that 59 per cent. of cases prosecuted as rape result in a conviction for rape or another offence. However, my hon. and learned Friend knows that that hides massive differences between police areas. In Dorset, fewer than one in 60 women secured a conviction for an attack when they reported rape, but in Cleveland, the area that my hon. and learned Friend represents, almost one in every five rapes reported to the police results in a conviction. Why does that difference exist, and what can we do to ensure that every area of the country meets and exceeds the standards that Cleveland has achieved, so that women who are raped can get justice?

The Solicitor-General: I should like to pay tribute to my hon. Friend's diligent work on rape, about which she shares a powerful interest with me. There are two sorts of figures. She cited the figure of around 59 per cent., which relates to those going from charge to conviction, once there has been a charge. The much lower figures, especially those that the Fawcett Society puts forward, are from complaint to charge; there is a much higher drop-out rate before cases get to court. There are disparities between Cleveland and other areas. I am proud of Cleveland, though even Sean Price, the chief constable—pleased though he is to top the poll, as it were, for conviction rates for rape—feels that he has further to go before he is performing adequately. None the less, he is to be complimented.

My hon. Friend is right that the figures suggest that less attention is paid to that highly important offence in some areas. Of course, the figures have flaws because complaints and outcomes are likely to be separated by years, so they will not cover the same cases. However, one cannot disguise the fact that the figures are inevitably indicative of a difference in prioritising. The rape support group—the Home Office component of the partnership team, which also comprises the CPS—will talk to police forces specifically about that. To put it bluntly and crudely, the idea is to find out what is working well in one police area, take it to another where they are not doing so well and persuade them that they must implement it to attain much better results. However, having said that—

Mr. Deputy Speaker: Order. That is a very long answer. I hope that the Solicitor-General will bear it in mind that several other hon. Members wish to question her.

Mr. Gary Streeter (South-West Devon) (Con): May I support the campaign of the hon. Member for Slough (Fiona Mactaggart) on this serious offence? In addition to disparities in various police regions in the United Kingdom, are not conviction rates in the UK significantly lower than those of many of our European counterparts? Does the Solicitor-General know the reason for that? Has any thorough research been conducted to ascertain what lessons we can learn from Europe to try to improve conviction rates in this country?

The Solicitor-General: I am thankful for the hon. Gentleman's support and I know that my hon. Friend the Member for Slough (Fiona Mactaggart) will be, too. It is important to do the work that he mentions. The differences that exist are evidence that there is nothing magic about getting a better conviction rate for rape. If one police force can do it and another cannot, the way forward is accessible. There are huge definitional differences between us and some European countries. The numbers of people who are prosecuted vary, too. I will not get this precisely right, but I point out that in Italy, essentially only stranger rape is prosecuted. It is relatively straightforward to get a conviction for that, whereas the difficulty here is rape that happens within a relationship, in which consent is the issue. That is much more difficult.

Mr. Mark Todd (South Derbyshire) (Lab): I share the concern of my hon. Friend the Member for Slough (Fiona Mactaggart) on this subject. I welcome the planned visits and very much hope that an early visit will be made to the CPS in Derbyshire, where one of my constituents suffered the appalling fate of having a case that had got to court dropped, apparently because of failures by the local CPS to communicate effectively with social services about key papers, with the entire

range of cases against her assailant subsequently dismissed. Will my hon. and learned Friend ensure that that visit is given particular attention?

The Solicitor-General: I am thankful for my hon. Friend's concern and support on this topic. I do not know about that case in Derbyshire, which sounds as if it may be a cause for concern. If he tells me about it, I will look into it and draw it to the attention of the CPS, so that it can investigate further and, if there is a need, accelerate the time ofits visit.

Fraud (Small Businesses)

11. **Sir Nicholas Winterton** (Macclesfield) (Con): When officers of the Serious Fraud Office next expect to meet representatives of small business organisations to discuss measures to combat serious fraud schemes aimed at small and medium-sized enterprises. [280582]

The Solicitor-General: Reducing the harm caused by fraud to individuals and businesses is a key priority for the Serious Fraud Office, although it investigates serious and complex fraud whomever it is aimed at. Last month Richard Alderman, the director of the SFO, met representatives of Transparency International and the Department for Business, Innovation and Skills, as it is now called, to discuss how the SFO could help small and medium-sized enterprises in that respect.

Sir Nicholas Winterton: I am obviously grateful to the Solicitor-General for that reply, but is she aware that a Federation of Small Businesses survey showed that online crime and fraud costs small businesses £800 a year on average and that more than half of smaller businesses report that they have been victims of crime in the past 12 months? That is a serious cost to smaller businesses, which are very important to the economy of our country. What additional measures does she believe can be implemented to reduce the current level of crime, which is so bedevilling small business, and electronic crime in particular?

The Solicitor-General: I do know about the FSB survey to which the hon. Gentleman refers—it is from February 2009, so it is quite up to date—which indicates exactly what he said. The FSB is working with the National Fraud Authority, and there are a number of agencies involved in the issue of fraud. Indeed, the National Fraud Authority, which used to be called the National Fraud Strategic Authority, is intended to have exactly that overview. *[Interruption.]* I am assured that NFA does not mean "No further action"; it means "National Fraud Authority", and I am cheered by that reassurance. The FSB is on its programme board and stakeholder group, as is the British Retail Consortium and the British Chambers of Commerce. I can therefore give the hon. Gentleman an assurance that the interests of small and medium-sized enterprises are directly acknowledged by the relevant authority and taken on board day to day.

Mr. Jonathan Djanogly (Huntingdon) (Con): Given that the SFO case load has increased by a third in the past 12 months and that it now faces budget cuts, could the Solicitor-General please identify the financial extent of those cuts and say whether they are likely to hinder the SFO's ability to protect SMEs from fraud?

The Solicitor-General: I will write to the hon. Gentleman with the specific details of the budget cuts, if that is what he would like. The SFO is going from strength to strength under the new direction of Richard Alderman. It is indeed contending with a rising case load, but it is coping with it well. The SFO has introduced a number of efficiencies and ways of distinguishing cases that can realistically go the whole distance from those that can be cut off short, so that a solution other than a conviction can be sought, such as a civil outcome. The SFO is genuinely trying to crisp up its act, and I am confident that progress is being made.

Fraud

12. **Rosie Cooper** (West Lancashire) (Lab): What steps the Serious Fraud Office is taking to increase its effectiveness in prosecuting fraudsters. [280583]

The Solicitor-General: Since Mr. Alderman became the director of the SFO, he has overseen a comprehensive transformation of that body. It has a new structure, a new focus, a new approach to work and improved processes, which have already produced a number of improvements in prosecutions. We are confident that there will be more to follow as the changes bed in.

Rosie Cooper: I thank the Solicitor-General for that answer. Will she tell us a little more about what the Serious Fraud Office is doing for the victims of fraud and about how those people are receiving justice? Following on from the previous question, will she also say briefly whether she believes it has enough resources?

The Solicitor-General: The SFO has a high regard for the importance of looking after witnesses in fraud cases. Indeed, I have taken a personal interest in this. The Crown Prosecution Service does a good deal in this regard now, and its performance rate on the dropping of cases at the door of the court because of the non-appearance of witnesses, and so on, has got much better because of the attention it pays to victims and witnesses. The SFO deals with a completely different kind of case, of course, but it none the less well understands the need to ensure that witnesses and victims are supported. I have met two small business men who were the victims of fraud and who felt that, when their cases came to court two years ago, they were not treated as well as they could have been. We have learned lessons from that, as well. I do not think that the resources question that my hon. Friend has raised will take away from the effort that is now going to be put more fully into protecting victims and witnesses.

Mr. David Drew (Stroud) (Lab/Co-op): There seems to be an increasing tendency for fraudsters to pick on vulnerable people. Will my hon. and learned Friend tell us what measures she has in hand to ensure that sentences take into account the fact that a vulnerable person has been picked on, in addition to consideration of the crime itself?

The Solicitor-General: The personal damage that fraud can cause, particularly to vulnerable people, is recognised. Historically, it has perhaps been seen as a crime that attacks victims slightly less than other crime, but being defrauded is very undermining and can sometimes tip

people into as poor a state as they would find themselves in if they had been seriously assaulted. We are pursuing the protection of vulnerable victims, and when such vulnerability exists, the Crown will draw it to the attention of the judge. Guidelines on sentencing usually allow for aggravation to follow from the fact that a victim is particularly vulnerable, and that can increase the sentence.

Bribery

13. **Richard Ottaway** (Croydon, South) (Con): What steps she is taking to review the operation of laws on bribery. [280584]

The Solicitor-General: The Government introduced a draft Bribery Bill on 25 March this year, which built on a report published by the Law Commission last November. The Bill is currently being considered by a Joint Committee, which will report next month. My noble and learned Friend the Attorney-General will appear before the Committee on 25 June.

Richard Ottaway: Does the Solicitor-General share my concern that the Bill makes negligently failing to prevent bribery an offence? As I understand it, that means that, for the first time, an omission can be prosecuted. Does she not agree that that will have a profound impact on English law?

The Solicitor-General: I do not think that it is an entirely new principle. This is not about omission; it is about negligently failing to take steps to prevent bribery. There are businesses that are in pole position to see when bribery is going on, and if they choose to turn away, or if they do not have sufficient procedures in place to prevent it, it is probably a poor response to say that they have a valid defence. Of course they should be under an obligation to prevent bribery from damaging themselves and others, and they should be punished if they do not do so.

Crown Prosecution Service

14. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What estimate she has made of the likely effect of the merger of the Revenue and Customs Prosecution Office with the Crown Prosecution Service on the number of jobs in the CPS. [280585]

The Solicitor-General: The merger of the RCPO and the CPS will generate efficiency savings as we combine the strengths of the two organisations, with the aim of delivering an enhanced prosecution service. We anticipate making savings through a range of means, including some headcount reduction over time. At present, however, the management is assuring staff that their employment is secure and that any future reductions will be achieved through natural wastage, as it is called, and as part of ongoing efficiency planning.

David Taylor: The trade unions, the Public and Commercial Services Union and the FDA, might well have been reassured by the CPS that they will be fully consulted about the implementation of the merger, but what reassurance can my hon. and learned Friend give to the skilled, dedicated staff in the RCPO and the CPS that they will not ultimately become casualties of the Treasury's remorseless fixation with driving down headcount?

The Solicitor-General: Actually, we had this merger in mind at some stage, irrespective of the remorselessness of the Treasury, because we thought it would enhance the prosecution service we give to the public. The history of the RCPO's roots demonstrates why that element of prosecution was not included in the remit of the CPS, but that is now indeed history, and it will be optimally beneficial for the public for the two agencies to work together. I am grateful to my hon. Friend for making it clear that this is a merger and not a takeover by the larger organisation, the CPS, of the smaller one. Management have assured staff that they will all have a job on transfer, which applies to both components, and have stressed the large amount of work that the RCPO will bring into the CPS in any event. All the RCPO contracts will be transferred to the CPS and the existing terms and conditions will be kept at the point of transfer. As I said in my original answer, any further reductions are currently—optimistically, but, I think, rightly—likely to be achieved through what is called "natural wastage", which is not a very nice term, but means retirement.

LEADER OF THE HOUSE

The Leader of the House was asked—

Parliamentary Standards Bodies

17. **Mr. David Heathcoat-Amory** (Wells) (Con): What discussions she has had with the Secretary of State for Justice on the respective roles of the Committee on Standards and Privileges and the proposed Parliamentary Standards Authority; and if she will make a statement. [280588]

The Leader of the House of Commons (Ms Harriet Harman): The Justice Secretary and I have had significant discussions about a Bill to create the Parliamentary Standards Authority. As well as having discussions within Government, we are consulting all parties represented in the House, and the Chair of the Committee on Standards and Privileges has attended those meetings.

Mr. Heathcoat-Amory: Last week, the Prime Minister announced that the Government's democratic council—whatever that is—wanted the immediate creation of the Parliamentary Standards Authority, which would have wide-ranging powers over the House, including those of disciplining and fining Members of Parliament. Since that task has been very well discharged by the Committee on Standards and Privileges for some years, why do the Government want to transfer it to an external, unelected, unaccountable quango, which would in itself turn the clock back several hundred years as regards the powers of this House—a move that would be heartily welcomed by King Charles I?

Ms Harman: It was not just the Prime Minister, but all the party leaders who agreed to my right hon. Friend's proposal to put the setting and administration of our allowances on an independent footing. We should

all recognise that a public perception has emerged that we arrange the allowances in our own interests rather than in the interest of our doing our job, that we then administer these allowances within the House of Commons and lean on officials to exercise their judgment in our interests. We need to address that perception so that people can have confidence in the high standards of the House of Commons. The proposal to overcome that perception, which has been subject to wide-ranging discussions and on which we will have further such discussions, is to create an independent Parliamentary Standards Authority so that we can no longer vote on our own allowances, which will be set independently; the functions of the Fees Office will be transferred to that authority. That is the remit of the Parliamentary Standards Authority; rather than questions of conduct in this House, it is all about putting our allowances on a proper, transparent footing with fair and firm rules that will allow us to get on with our job and give the public confidence that the allowance system is being run independently.

Mr. David Heath (Somerton and Frome) (LD): The Leader of the House, and, indeed, the hon. Member for Rutland and Melton (Alan Duncan) have had the pleasure of giving extensive evidence before Sir Christopher Kelly's Committee over the last couple of days. Given that Committee's interest in this matter, would it not be sensible if the draft legislation for the Parliamentary Standards Authority were sent as soon as ready to it for its early consideration so that it can give advice to the House before we set in statute something with which it might profoundly disagree?

Ms Harman: The Justice Secretary will meet Sir Christopher Kelly this afternoon, but it might be helpful for Members to see the Parliamentary Standards Authority as the hardware and the inquiry into allowances conducted by the Committee on Standards in Public Life and its recommendations for a new allowance system as the software. If, as I hope, we can legislate for and set up the new independent authority before the House rises for the summer, if Sir Christopher Kelly is able to report in, say, October—obviously when he reports is a matter for him, because he is independent and arranges his timetable and inquiries according to his wishes and those of his committee—and if the Parliamentary Standards Authority can begin work in November, it will then be able to deal with Sir Christopher's proposals on allowances.

We need to make absolutely sure that we get the system right. I hope that no one will think that we can simply carry on as we were after this crisis. There has been a profound undermining of public confidence, and the best way we can handle that is to say "We are not doing this ourselves any more. The allowances are being set independently. What we are doing is getting on with our job of representing our constituents and holding the Executive to account."

Mr. Richard Bacon (South Norfolk) (Con): Will the Leader of the House explain what role, if any, the commission headed by the hon. Member for Cannock Chase (Dr. Wright) will have in relation to the Parliamentary Standards Authority—and, by the way, when will that commission report?

Ms Harman: The Prime Minister has said that he thinks it would be helpful if a parliamentary Committee chaired by my hon. Friend the Member for Cannock Chase addressed a number of issues relating to the way in which the House operates. We must address the knock that confidence in our Parliament has taken by dealing with the allowance system, but that will also give us an opportunity to look more widely at a number of issues that have been on the agenda and should now be dealt with. We intend to table a motion shortly to establish a Committee that will be able to consider direct representations from the public through e-petitioning—the Procedure Committee has already done a good deal of work on that—as well as how the House itself could decide what constitutes non-Government business, and time-limited Select Committees.

Mr. Deputy Speaker: Order. May I plead with the Leader of the House for shorter answers? We have only four questions to get through, but we are going to struggle at this rate.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does the Leader of the House recognise the important principle that except when a serious criminal offence has been committed, the ultimate court of appeal to decide whether a Member is allowed to continue to sit in the House must be the voters? There have historically been a number of occasions on which a Member of Parliament whom the authorities do not like—a rebellious Member—has been returned at the insistence of the voters.

Ms Harman: The right hon. Gentleman has just enunciated a fundamental constitutional principle. We are accountable, because we are accountable to the electors at every general election. If the electors do not want to send a Member back to the House, they do not have to do so. In addition, we are accountable individually to the collective of the House. The House has wide-ranging powers to chuck out any Member at its discretion, and that will cause a by-election. We need to consider whether or not we have used those powers in the way in which the public expect us to.

I am sorry, Mr. Deputy Speaker. I have been producing rather long answers. I shall try to shorten them, but I thought that we were not going to use up the time. I shall try to get into less expansive mode.

Mr. Deputy Speaker: I am trying to be the best judge of that.

Sir Patrick Cormack (South Staffordshire) (Con): Thank you, Mr. Deputy Speaker. May I ask the Leader of the House briefly and unequivocally to confirm that, while the Parliamentary Standards Authority will deal with the financial matters about which she talked—we all accept that—it will not become an appointed quango with jurisdiction over Members of Parliament? That would be intolerable and unacceptable to any right-thinking Member of Parliament.

Ms Harman: I think the answer to that is yes. The jurisdiction will be in respect of considering and paying Members' allowances. Once we have a Parliamentary Standards Authority, if there is a general consensus that we want it to do more we can discuss that, and if there is a consensus we can ensure that it happens. However, that is not a matter for the initial Parliamentary Standards Authority Bill.

Procedure Committee/Modernisation Committee

18. **Sir Nicholas Winterton** (Macclesfield) (Con): If she will establish a cross-party committee to review the functions, objectives and roles of the Procedure Committee and the Modernisation Committee; and if she will make a statement. [280594]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I am sure that the whole House agrees that the starting point for the further modernisation of the House should be the reforms to deal with the loss of confidence caused by the expenses scandal. We will shortly put proposals to the House to establish the new Parliamentary Reform Committee that my right hon. Friend the Prime Minister announced last week and to which the Leader of the House has just referred.

Sir Nicholas Winterton: The Modernisation Committee has not met for many, many, many months. The Procedure Committee is doing good work and could easily take over the role, functions and responsibilities of the Modernisation Committee. It is chaired by a Back-Bench Member of the House, as are all other Select Committees. Does the Deputy Leader of the House accept that the Committee announced by the Prime Minister should consist of those who have experience of the Modernisation Committee? I have been on the Modernisation Committee since it was formed, chaired the Procedure Committee for two Parliaments and have been in this place for some time. It would be helpful if the Leader of the House or her deputy indicated who is to be appointed to this Committee. Why has the hon. Member for Cannock Chase (Dr. Wright) been selected? He is a member of the governing party. Would not it be better for an Opposition Member to lead the Committee?

Barbara Keeley: The Modernisation Committee has not met because five of its members, from all parties represented on the Committee, have indicated their desire to leave it. It is up to the parties, through the usual channels, to re-nominate members so that the Modernisation Committee can continue. On chairing the Committee, the Modernisation Committee was aimed at taking forward the Government's modernisation agenda, so it made sense for the Leader of the House to chair it. Notwithstanding those points, there are many Members, of whom the hon. Gentleman is one, with great experience in these matters. I am sure that they would be welcome members of the new Parliamentary Reform Committee. It is of course up to the parties to decide on nominations.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I congratulate my hon. Friend on her appointment. My understanding is that the Modernisation Committee was established to drive forward modernisation at a time when there did not seem to be a broad consensus in the House on that objective. Now that there does appear to be a consensus on modernisation and on strengthening the role of the Commons, may I suggest that my hon. Friend looks at ways of simplifying the various Committees that have been set up? There is a danger that many Committees will have difficulties getting members to sit on them to drive forward the agenda. Would not it be better if the agenda were driven by one Committee rather than a plethora of Committees that might not meet very often in some cases?

Barbara Keeley: I thank my hon. Friend for his comments on my appointment. The Modernisation and Procedure Committees have secured some considerable achievements, but my hon. Friend is right, which is probably why the Prime Minister has accepted that the new Parliamentary Reform Committee should run for a defined period. It can take forward some of the excellent work done by the other two Committees. The Modernisation Committee has a piece of work to finish and will do so shortly. Following the interest shown in this topic, I hope that hon. Members will carry forward the excellent work of the two Committees and will volunteer to sit on the new Parliamentary Reform Committee. Clearly we can look at simplification later in the year.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I congratulate the deputy Leader of the House on her appointment and look forward to working with her as closely as I did with her predecessor on the best practice and business of the House.

On Committees, will the hon. Lady inform us whether the Government have any intention of establishing a Select Committee on science. There is a huge amount of pressure to set up such a Committee, not least from the Minister for Science, the noble Lord Drayson. What is the Government's position on setting up a Select Committee to consider science policy?

Barbara Keeley: I thank the hon. Gentleman for his kind words. Next Thursday we will be considering House business and our aim is to bring forward proposals for the Committee structure he has talked about. We are mindful of the fact that the previous Select Committee on Science and Technology was very popular, and I am sure it would be very welcome in all parts of the House if we were to table a motion to re-establish it.

Sir Peter Soulsby (Leicester, South) (Lab): May I join other Members in welcoming my hon. Friend to her new post? Speaking as a member of both the Modernisation Committee and the Procedure Committee, I urge on her the need for us to be prepared to take forward the work that will be done by the Parliamentary Reform Committee, which, as she said, will meet only for a defined period. I urge her to recognise that the work of the Modernisation Committee and the Procedure Committee significantly overlap and could easily be merged into the Procedure Committee, so ensuring that co-ordinated progress is made.

Barbara Keeley: I thank my hon. Friend for his kind words. This was a question that my predecessor, my hon. Friend the Member for Rhondda (Chris Bryant), found himself answering on many occasions at the Dispatch Box, so we really must consider the question put today, and make progress.

Sir George Young (North-West Hampshire) (Con): I welcome the fact that the energy of the hon. Member for Cannock Chase (Dr. Wright) will be applied to parliamentary reform, but could we not have achieved the same objective by his taking over the chairmanship of the Modernisation Committee?

Barbara Keeley: That is a difficult one for me to answer. The Modernisation Committee, which I have been reading a lot about in the past few days, has

registered some great achievements, as has the Procedure Committee; we are very much looking forward to the Procedure Committee's report on written questions. This is a new initiative, however, and it is very welcome; I do not want anybody to think that we do not very much welcome the new Parliamentary Reform Committee. It is an idea for its time, and the time is now.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

Demonstrations (Parliament Square)

19. **Mr. Andrew Robathan** (Blaby) (Con): What recent representations the House of Commons Commission has received from hon. Members on the continuing demonstrations in Parliament square. [280591]

Nick Harvey (North Devon): There have been three recent questions to the House of Commons Commission relating to the demonstrations in Parliament square, and 13 hon. Members have made representations in writing.

Mr. Robathan: Parliament square is a world heritage site, but it currently looks a bit like a rather dated set for an episode of "Steptoe and Son". Will the House of Commons Commission, together with the Leader of the House and the Home Office—and whomever—sort out this situation? I yield to nobody in my defence of people's right to demonstrate outside Parliament, and in fact I deprecate the Criminal Justice Act that brought in some sort of strange exclusion zone to limit demonstrations outside Parliament. However, those demonstrations cannot go on for ever, and we should be able to strike a balance so that people may demonstrate and the world heritage site looks as it is meant to look.

Nick Harvey: The Serjeant at Arms has made representations to the Metropolitan police to the effect that access to this House is essential for the working of the House. Beyond that, the policing of Parliament square is a matter for the Metropolitan police, and by extension the Mayor of London and the Home Office. I hear what the hon. Gentleman says, but he would do better to raise these matters in Home Office questions, as they are not a matter for the House of Commons Commission.

Keith Vaz (Leicester, East) (Lab): Will the hon. Gentleman join me in congratulating the Tamil community on the dignified way in which it conducted its protest, and on the fact that it vacated Parliament square yesterday? Although there are long-term issues to consider, as the hon. Member for Blaby (Mr. Robathan) has said, the fact that that demonstration is no longer there shows that by working with the police, organisations can get the right to protest and show that they are able to conduct themselves with dignity.

Nick Harvey: I am grateful that this gives me the opportunity to confirm that the Tamil demonstration is now over. I believe that there is to be a further large-scale demonstration in central London, but the protest in Parliament square is over, and the authorisation for it was, I understand, due to expire in a few days' time in any case.

LEADER OF THE HOUSE

The Leader of the House was asked—

Whips Offices

20. **David Taylor** (North-West Leicestershire) (Lab/Co-op): If she will bring forward proposals for reform of the role of the Whips Offices as part of the Government's proposals for constitutional reform; and if she will make a statement. [280592]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): As I mentioned in an earlier reply, my right hon. Friend the Prime Minister has announced the creation of a new Committee to be set up for a defined short period to look at issues of reform, such as making Select Committee processes more democratic, scheduling for more and better time for non-Government business, and engaging the public in topics for debate such as petitions.

David Taylor: The political process may need Whips to give shape and direction to efficient policy implementation, but the parliamentary system allows the Executive to take liberties with democracy, generating an atavistic herd instinct that strangles independent thought and objectivity. Does my hon. Friend agree that an ordered party is best obtained by persuasion rather than patronage, and by consent rather than compulsion? If we are serious about reform, we must abandon the coercion and inducements available to Whips, starting with having more powerful Select Committees chosen by this House.

Barbara Keeley: I will try not to take that too personally; until very recently I was my hon. Friend's Whip. I very much hope that he believes that the relationship I had with him when I was a Whip allowed him to be independent-minded and to decide for himself. Compulsion and the other things he mentioned are not facets of the Whips Office; Labour Members are independent-minded and the Whips Office just works to try to get the Government business through.

Mr. Alan Reid (Argyll and Bute) (LD): At the moment, programming seems to be decided by what are euphemistically called "the usual channels": the Government and Opposition Whips getting together. Will the Government adopt the practice, used in the Scottish Parliament, of conducting a business committee on which all parties are represented? That would mean that decisions on programming could be taken much more transparently.

Barbara Keeley: I thank the hon. Gentleman for that question. When the new Parliamentary Reform Committee comes together shortly—we expect to table a motion on that next week—it will be able to examine the exact issue of programming non-Government time.

Business of the House

11.31 am

Alan Duncan (Rutland and Melton) (Con): May I invite the Leader of the House to give us the forthcoming parliamentary business?

The Leader of the House of Commons (Ms Harriet Harman): Before I inform the House of the business for next week, may I add my personal tribute, as Leader of the House, to Speaker Martin? Yesterday, nearly all the tributes to him mentioned his kindness, and it is very important to recognise that he kept order in the House not by pushing people down, but by supporting and encouraging people. Kindness is very much underrated in modern politics, but it is highly rated by Members of this House. A nudge of encouragement can be of great importance, particularly to a new Member. Members never had to fear the Chair when Speaker Martin was in it; they needed only to look to the Chair for advice and support. I hope that whoever succeeds him tries to match that.

The business for next week is as follows:

MONDAY 22 JUNE—The House will meet to elect a Speaker.

TUESDAY 23 JUNE—Second Reading of the Marine and Coastal Access Bill [*Lords*].

WEDNESDAY 24 JUNE—Opposition day [14th allotted day]. There will be a full day's debate entitled "Iraq Inquiry" on an Opposition motion.

THURSDAY 25 JUNE—The House will be asked to approve various motions, including the establishment of a London Regional Committee and Regional Grand Committees; a motion relating to Members' pensions; and motions relating to Select Committees.

FRIDAY 26 JUNE—Private Members' Bills.

The provisional business for the week commencing 29 June will include:

MONDAY 29 JUNE—Second Reading of the Child Poverty Bill.

TUESDAY 30 JUNE—Opposition day [15th allotted day]. There will be a debate on an Opposition motion, subject to be announced.

WEDNESDAY 1 JULY—Consideration of Lords amendments to the Political Parties and Elections Bill, followed by motion to approve the draft Terrorism Act 2006 (Disapplication of Section 25) Order 2009, followed by consideration of Lords amendments to the Saving Gateway Accounts Bill.

THURSDAY 2 JULY—Estimates [3rd allotted day], subject to be confirmed by the Liaison Committee.

At 6 pm the House will be asked to agree all outstanding estimates.

FRIDAY 3 JULY—Private Members' Bills.

Alan Duncan: I thank the Leader of the House for giving us the forthcoming business, and may I echo what she said about Mr. Speaker? As a recent addition to the House of Commons Commission, I must say that I found the way in which he chaired and administered it to be far better than the public reputation he was afforded by the press.

Further to the answer given just a moment ago by the Deputy Leader of the House, I think everyone would welcome some urgent clarification from the Leader of the House on the business of the House motions that she announced for next Thursday. On 10 June, the Prime Minister said in his statement on constitutional reform that "a special parliamentary commission" will be established, comprising Members from both sides of the House, to advise on necessary reforms of the procedures of the Commons. He seems to want to set up a new committee very much on a whim when there are already structures in the House for considering these issues. It is pretty disgraceful that the Prime Minister should choose to interfere to gain a headline when no consultation whatever has taken place.

Will the right hon. and learned Lady therefore take this opportunity to confirm whether it is now her intention to abolish the Modernisation Committee? Will this new commission or committee replace it? If so, what is the difference between this new commission or committee and the Procedure Committee, which also deals with the "necessary reforms" of the procedures of this House? Will she confirm that the real difference is not in the functions of the two committees, but in the simple fact that the hon. Member for Cannock Chase (Dr. Wright) would chair the new one, and not my right hon. Friend the Member for East Yorkshire (Mr. Knight)?

We were taken by surprise yesterday when Mr. Speaker reported that a new cross-party committee would now be inquiring into the circumstances surrounding the arrest of my hon. Friend the Member for Ashford (Damian Green), and even more surprised that that announcement was said to follow from a discussion with only the Government Chief Whip. We were pleased that the Government appear to have backtracked on their attempt to maintain a majority hold over that committee, but given that I have had nothing more than an unacceptable holding response from the right hon. and learned Lady to my letter of 27 April on this matter, will she now tell the House who will be on this committee, when it is likely to report and what is its exact remit? Will it look, for example, at the issue of privilege that we on the Opposition Benches think should be examined in detail and in parallel by the Committee on Standards and Privileges? In a previous answer to one of my questions, the right hon. and learned Lady said that she could not see any objection to that happening.?

Will the right hon. and learned Lady take this opportunity to inform the House when the Government will move the writ for the by-election in Norwich, North? I remind her that the previous Member for that constituency was appointed to the Chiltern Hundreds some days ago and that the writ for the by-election in Crewe and Nantwich was moved much faster.

The House will note that we have chosen to have our Opposition day debate on Iraq and the inquiry, and I hope that the Leader of the House appreciates how strongly we—and many Labour Members—feel that the Iraq inquiry should be much more public and far broader in composition.

May we also have a debate on the way in which some parking enforcement companies are extorting money on utterly vicious grounds from members of the public? Several cases have come to my attention in which, because of unclear signs in a car park, people have been

[Alan Duncan]

unwittingly entrapped and their cars clamped. I have to report that the Co-op appears to be one of the most unjust practitioners—

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Absolute balderdash!

Alan Duncan: Will the House have the chance to call them to account and seek a broader change in the law?

May we have a debate on levels of numeracy in Government? This subject may be closer to the heart of the hon. Member for Huddersfield (Mr. Sheerman), who is barracking from his seat. Yesterday, we had the unedifying sight of a Prime Minister denying the truth about his own cuts in public spending that are in the Chancellor's most recent Budget. Last week, the Leader of the House was—it is fair to say—ticked off by the UK Statistics Authority for using figures on the gender pay gap that it said would be "misleading" and would

"undermine public confidence in official statistics".

This is not the first time that the Government have been criticised for manipulating figures, but judging by the confusion of Ministers over spending, perhaps it is not so much a case of intentional distortion and more an indication of their deficiencies in basic maths.

Finally, may we agree across the Floor of the House that, when it comes to electing a Speaker on Monday, each Member should do so from the best possible principles for Parliament, and their choice should be on that basis and not for any narrow or party reasons?

Ms Harman: The hon. Gentleman raises the question of the special parliamentary committee. It is important to take the opportunity of the need to rebuild confidence in Parliament, not just to sort out the question of our allowances, but to see whether we can make further progress in improving our procedures. We can take the opportunity to allow the public direct access by putting issues on the parliamentary agenda through e-petitions; to strengthen the work of Select Committees; and to allow a wider say in decisions on non-Government business.

The important thing to focus on is the job that needs to be done and on establishing a committee of short-term duration simply to get on with that job. We can either focus on process or on outcome. If we can reach an agreement, we can move forward. Many hon. Members on both sides of the House have done a lot of work on these matters over the years and they have not found the opportunity to move forward. I think that this is that opportunity, so, instead of complaining about the process, let us all work together to ensure that we achieve some outcome.

The hon. Gentleman asked why the matter should not be dealt with by the Procedure Committee. The Procedure Committee does very important work and I refer to what my hon. Friend the Deputy Leader of the House said about its important forthcoming report on the answering of written questions. The new committee will have a wider remit than the Procedure Committee, but I am sure that it will draw on the expertise and work of the Committee and of some of its members, including, possibly, its leading member, the Chair.

The hon. Gentleman asked about the Speaker's Committee on the arrest of the hon. Member for Ashford (Damian Green) and the search of parliamentary premises. In a resolution of the House some months ago, the House decided that there needed to be a Speaker's Committee to consider that matter, but that it would not start its work until after any investigation by the criminal justice system had been completed. Now that that investigation has been completed, the Committee needs to get on with its work. The announcement of who will be on the Committee will be a matter for the new Speaker. I hope that the Committee will be able to get on with its work. Once it is established, the terms of reference of the House resolution said that it could consider a number of basic issues and those relating to them.

In relation to the Iraq debate, the Prime Minister—

Alan Duncan: And privilege?

Ms Harman: The hon. Gentleman should refer to the resolution of the House that established the Speaker's Committee. It will work within that remit and deal with related issues.

The Iraq inquiry was the subject of the Prime Minister's statement to the House on Monday and there will be a debate on the subject next week, which will no doubt focus on the issues that the Prime Minister dealt with and was questioned on, which concerned the composition of the committee and its way of working.

We might well need to have a topical debate on the subject of parking enforcement. It may seem a minor issue, but quite a lot of money changes hands. If someone comes out of a shop with a couple of kids and a buggy and finds their car immobilised, leaving them stranded, it can be very difficult indeed. Perhaps we ought to consider that. The subject involves a number of different Departments, and the fact that responsibility has fallen between the Department for Transport and the Department for Communities and Local Government has been a problem. Perhaps we might consider that.

In a rather patronising and condescending way, I am sorry to say, the hon. Gentleman cast aspersions on my numeracy. I shall address his point about the UK Statistics Authority. He is referring to the gender pay gap. Previously, the gender pay gap has been reported as two figures. The first is the average gap between the pay of full-time men and full-time women at work. The second is the gap between part-time employees and full-time male employees. One thing that I have said to the Office for National Statistics is that part-time women employees are not a separate breed of second-class citizens. If they are lowly paid, they ought to be considered in the context of the statistics as a whole. We should compare the average pay per hour of men with the average pay per hour of women. I reject any suggestion that it is a question of trying to manipulate the figures. It is about the figures properly representing the valuable contribution that women make to the work force and about stopping pay discrimination, so I hope that the hon. Gentleman regrets asking that question.

Mr. David Heath (Somerton and Frome) (LD): The right hon. and learned Lady referred to the tributes paid to the Speaker yesterday. I think that all the tributes remarked on his generosity of spirit in personal

terms, and I can only go along with that; that generosity of spirit was obvious to everyone who knew him. I welcomed Mr. Speaker pointing out in his statement yesterday the lack of leadership and wrong-headed thinking that led to the House rejecting the sensible proposals for reform of our expenses system last year. It was important that he made that point.

The hon. Member for Rutland and Melton (Alan Duncan) mentioned the Committee, proposed by Mr. Speaker, which is to look at the issue of the police search of Members' offices. I have to say that the right hon. and learned Lady has got herself into a bit of a mess on that. If she remembers, we on the Opposition Benches proposed that there should be no Government majority on that Committee, and that it should be chaired by an Opposition Member. That was rejected by her and her party, and in a whipped vote the Labour party pushed through a motion on 8 December that precluded that option. If the Government have backtracked on that, which is extremely helpful, she needs to put a new motion before the House, because she is bound by a resolution of 8 December that does not allow the Committee to have the composition that it is apparently now to have. Will she put such a motion on the Order Paper next week, so that we can vote on it?

In another place last week, during proceedings on the Political Parties and Elections Bill, there was an extremely important vote on an amendment in the name of Lord Campbell-Savours. That amendment will be strongly supported in this House by Liberal Democrat Members—and a great number of Labour Members, too, as was indicated by the fact that the Government could not manage to get a Labour majority in the House of Lords on the matter. May we have confirmation that there will be ample time to debate that amendment in this House, and that there will be no attempt by the Government to reverse the decision made in another place on non-domiciled tax exiles providing funding for political parties?

The Prime Minister yesterday appeared to have a problem understanding how limited his reforms of the banking sector have been, but he was put right in no uncertain terms by the Governor of the Bank of England last night. Given that the Prime Minister does not appear to know what he is doing on banking reform, and that the Chancellor of the Exchequer does not seem to know either, while the Governor of the Bank of England clearly does know, may we have a debate so that we Members of the House can put our ideas on how the banking sector should be regulated in future?

Lastly, when the Lord High Everything took control of the Department for Innovation, Universities and Skills, and it was then abolished, one part of the collateral damage was the presumed demise of the Select Committee on Innovation, Universities, Science and Skills. Before it had that title, the Committee did a superb job in this House as the Select Committee on Science and Technology. In fact, it did a particularly superb job when I was a member of it. There are many people, both in the House and outside, who feel that having a Committee that is committed to the interests of science and technology is no bad thing, including the learned societies led by the Royal Society of Chemistry. When the right hon. and learned Lady brings forward her proposals on Select Committees next Thursday, will she ensure that we re-establish a properly constituted Select Committee on Science and Technology, with a cross-cutting brief, to ensure that those interests are properly represented in this House?

Ms Harman: The hon. Gentleman mentioned the work on expenses. It might help if I remind the House that today there has been progress on transparency, with all expenses claims having gone on the House of Commons website. Shortly, we will bring a Bill before Parliament to create an independent Parliamentary Standards Authority. There is also a reassessment under way of all the past four years' claims, which is being carried out by Sir Thomas Legg and independent accountants. Every single claim will be looked at, and any money that was paid outwith the rules will have to be paid back. We will be able to strengthen parliamentary processes as a result of the work of the Committee that is to be chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright). We will get the results of the independent Kelly committee on our allowances, and then the Parliamentary Standards Authority will start work. We have had a major problem, but all the work to solve it is under way.

The hon. Gentleman mentioned the Committee examining matters in relation to search and seizure and the arrest of the hon. Member for Ashford (Damian Green). There will be no need for a further resolution of the House, because the resolution of 8 December provided:

"That the committee consist of seven members appointed by the Speaker reflecting the composition of the House."

Mr. Heath: And now the Government are not doing that.

Ms Harman: Actually, having read that again, I see what the hon. Gentleman means. If we need to do anything, we can do that next Thursday, but that is not a commitment; it is just a maybe.

The hon. Gentleman mentioned cleaning up donations. Important work has been done over the years to ensure that donations to political parties are clean and transparent. We do not want anyone to have influence over politics in this country that is gained from money coming from abroad. We will, of course, review the Lords amendments.

The hon. Gentleman talked about banking regulation, which can be addressed during today's topical debate on the economy. It is important that we work internationally so that we have the highest standards of regulation for our financial services industry, which is international. We need international guidelines so that we can reach international high standards, and Europe plays an important role in that. Obviously, the structure will have to be operationalised at a national level with each nation ensuring that its national machinery works to high international standards. The Chancellor has made it clear that regulation will be toughened. We want to ensure that the Financial Services Authority and the Bank of England have clear responsibilities, and there will be further work to get this right.

Ms Sally Keeble (Northampton, North) (Lab): Will my right hon. and learned Friend join me in congratulating the staff and community who have been responsible for the opening of a spectacular new children's centre in Blackthorn in my constituency? When the Child Poverty

[Ms Sally Keeble]

Bill is considered in Committee—I hope that she will upgrade its Second Reading date of Monday 29 June from provisional to absolutely fixed—will she ensure that there is an evidence session so that the Government's measures on combating child poverty and the work of children's centres, which the Opposition criticise, can be clearly set out and may feed into the construction of the Bill?

Ms Harman: My hon. Friend makes an important point. There will be evidence sessions. Tackling child poverty is about not only income levels—from work and benefits—but, importantly, the support services that enable children to get on better in their lives. Children's centres have made a major contribution to equality in this country. There are now more than 3,000 centres, but we want to ensure that there is one in every single neighbourhood. Important discussions about that will take place alongside consideration of the new Child Poverty Bill.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Will the Leader of the House arrange for the Foreign Secretary to make a statement next week on British prisoners kept abroad without trial? Failing that, will she ensure that I get a reply to my letter of 21 May to the Foreign Secretary concerning Mr. William Keating, who has been kept in prison without any trial in the Central African Republic since early February? His family are incredibly concerned about what is happening to him.

Ms Harman: I will ensure that the right hon. Gentleman gets the reply to his letter to which he is entitled. Foreign Office questions take place next Tuesday, but I hope that he will receive a reply before then.

Mr. David Drew (Stroud) (Lab/Co-op): Will my right hon. and learned Friend look into the way in which disabled facilities grants are operated by local authorities? There is an ultimatum that occupational therapists must visit and carry out an evaluation within six months and that the work be done within a year, but it is being stretched by local authorities. There is an additional worry that ring-fenced money is being used for other purposes. Will she mount an investigation into the situation and consider holding a debate?

Ms Harman: That can be considered during debates on the Equality Bill, which puts a duty on public authorities to consider and meet the needs of disabled people.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): If the Leader of the House listened to the "Today" programme this morning, she will have heard the Secretary of State for Environment, Food and Rural Affairs giving an interview about climate change projections, on which he is to make a statement after business questions. Although that was deplorable—it is doubly deplorable in the Secretary of State's case, because he is usually meticulous in upholding the traditions of the House, rather than breaching them in such a way—what really worries me is that it was clear that the BBC had accessed the document, or received briefing on its substance, yet hon. Members will have to face it blind when we hear the statement.

Can we establish a system whereby when Ministers insult the House by giving interviews outside, they release the documents to which they have referred so that all of us may see them in advance of a statement? Alternatively, although perhaps this is a lesser thing, should not all hon. Members, in much the same way as Front Benchers, have access an hour beforehand to documents on which statements are made, as long as we do so in the privacy of the Library? The calibre of debate would be improved if more people could read the relevant documents prior to statements, and that would genuinely improve the scrutiny of documents and legislation in the House.

Ms Harman: I am not sure whether that suggestion has been made before, but it is a good one. It is not just Front Benchers who need a moment to marshal their thoughts so that they can question Ministers properly; Back Benchers on both sides of the House need that too. The right hon. Gentleman suggests that the content of the statement was put out on the "Today" programme before the matter came before the House. It is an important principle that the first people who get a chance to question a Minister about a substantive policy statement should be Members of the House, not journalists, so I will get a transcript of the interview on the "Today" programme and look at the content of the statement.

Dr. Brian Iddon (Bolton, South-East) (Lab): I have a registered interest in this question. Has my right hon. and learned Friend had time to read a letter dated 12 June that she received from the executive secretary of the Royal Society, and the chief executives of the Royal Academy of Engineering, the Royal Society of Chemistry, the Institute of Physics and the Institute of Biology, calling for the reformation of a science and technology Select Committee? Will she give the contents of the letter great consideration, given that this is now a cross-party request?

Ms Harman: I will consider that point very seriously. I pay tribute to the work of my hon. Friend and other members of the Science and Technology Committee.

John Bercow (Buckingham) (Con): May we please have a debate next week in Government time on the continuing crisis in Burma? Given that the brutal military dictatorship in that country practises egregious human rights abuses, including extra-judicial killings, rape as a weapon of war, compulsory relocation, forced labour, and the use of child soldiers on a scale proportionately greater than in any other country of the world, would it not be good to have a debate in which the Government could explain what action they will take multilaterally to try to bring that regime to book and to give the people of Burma the freedom and justice that we have so long enjoyed and they have so long been denied?

Ms Harman: I will consider that as a suggestion for a topical debate.

Mr. Chris Mullin (Sunderland, South) (Lab): Will my right hon. and learned Friend confirm that the Bill to set up the parliamentary standards committee will be published in draft and subject to full pre-legislative scrutiny? I am sure that she agrees that it is better that we do not legislate in haste and repent at leisure.

Ms Harman: There is not an intention to publish the Bill in draft and subject it to full pre-legislative scrutiny. It is important that we have a narrow Bill on which there can be complete consensus. If we then want to expand on the Bill's provisions, we can do so following consideration of draft clauses and further discussion. The narrow point is that just as we are no longer going to set and vote on our own pay—we have agreed a system so that we do not have to do that—we should not in future set our allowances or administer the system that pays those allowances. To be honest, if we subject a draft Bill to pre-legislative scrutiny, the public will feel that we have not got the point and we have put the matter into the long grass. I know that it is usually good to spend an awfully long time thinking about things, but if there is a straightforward, narrow and practical proposition, we should just get on with it.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): First, I thank the Leader of the House for considering carefully the issues that my hon. Friend the Member for Somerton and Frome (Mr. Heath) and the hon. Member for Bolton, South-East (Dr. Iddon) raised about the resurrection of the Science and Technology Committee. When the machinery of government changes took place in 2007, perhaps she was unaware of the strength of feeling not only inside the House but outside it about the need to scrutinise science, engineering and technology effectively. Despite the valiant efforts over the past two years of my Committee's members, to whom I pay tribute, in reality, if a very large Committee—and the Select Committee covering the Department for Business, Innovation and Skills will be even larger—is not able to get to grips with science and technology not only in government but throughout all the Departments, it will be a huge mistake. I hope that on Thursday, when she brings forward her recommendations, she will bear that in mind and recognise that organisations such as the Royal Society of Chemistry, the Royal Society, the Royal Academy of Engineering et al are incredibly interested in supporting the Government in their drive to put science at the heart of Government policy.

Ms Harman: There is a lot of force in the hon. Gentleman's points, and I thank him for placing them on the record.

Barry Gardiner (Brent, North) (Lab): I know that my right hon. and learned Friend will join me in congratulating the Metropolitan police on its recent successes in reducing violent crime. Could she find time in the next week or so for a debate to discuss the ways in which those successes have been achieved and how to promulgate them more widely?

Ms Harman: I shall look for an opportunity for a further debate about something that is always high on the Government's and the public's agenda—further reductions in violent crime.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Leader of the House knows that there are urgent ongoing discussions about the imposition on Members of a statutory code of conduct. In the light of recent breaches of the ministerial code, is it not right that we should discuss a similar approach to the ministerial code?

Ms Harman: Members of this House are already covered by a code of conduct, and the question is whether we should consider at some future date putting it on a statutory footing.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): May I congratulate my right hon. and learned Friend and the Opposition spokesman, the hon. Member for Rutland and Melton (Alan Duncan), on the tributes that they paid to the Speaker? Some of us could not make a tribute to him, but we loved him dearly, and will miss him as Speaker. I still feel very strongly about the campaign that was waged against him by Quentin Letts and other people in the press.

May I ask my right hon. and learned Friend not to leave out universities from the debate about how we scrutinise science and technology? Under the present arrangements, it looks as if it will be very difficult to give that important sector, in terms of both our communities and our economy, the proper attention that it deserves.

Ms Harman: It is very important not only that the work of my hon. Friend's Select Committee on Children, Schools and Families, which he chairs so ably, is carried through into further and higher education, but that we have a proper Select Committee with responsibility for science and innovation which relates to the business Department and trade and industry. I take his points on board, and will consider them before we come back to the House.

Mr. Greg Knight (East Yorkshire) (Con): Will the Leader of the House think again about the business for next Thursday? On reflection, would not it be better to abandon plans for a parliamentary reform committee and, instead, abolish the Modernisation Committee and refer all issues of outstanding concern to the Procedure Committee? That would then give us time on Thursday to debate the Procedure Committee's excellent report on e-petitions, which, if implemented, really would reconnect the public with Parliament.

Ms Harman: I pay tribute to the work that the right hon. Gentleman and his Committee have done on e-petitions, and hope that it will be taken forward. However, his Committee's terms of reference do not allow it to address the question of how non-Government business is allocated—at least, I do not think that it does. It is important for us not to make an argument about process, when we are trying to deliver on what is probably a consensus on improving how the House conducts its business. We should move on to the many demands for the Government to cede some of their control and their right to dictate Government and non-Government business. Many Members have argued for that. Should we not all work together to bring that into practice, rather than argue about which Committee does so?

Mr. David Winnick (Walsall, North) (Lab): As someone who does not in any way renounce the 2003 vote on the Iraq war or blame the former Prime Minister, but justifies the vote, in all the circumstances at the time, may I ask my right hon. and learned Friend, regarding Wednesday's debate, whether the Government will reflect further on the committee of inquiry on the Iraq war? I, for one, do not believe that its proceedings should be totally in private. There is undoubtedly an argument

[Mr. David Winnick]

that some of the evidence should be taken in private, but not the entirety. The inquiry's credibility is very much at stake, so I do hope that Ministers at the most senior level will have given further consideration to the matter by Wednesday's debate.

Ms Harman: I thank my hon. Friend for making those points, and will draw them to the attention of those who are responsible for arranging the Government's response.

Sir George Young (North-West Hampshire) (Con): Further to the question from the hon. Member for Sunderland, South (Mr. Mullin) about the imminent Bill to set up a Parliamentary Standards Authority, I must note there will be disappointment at the Bill not being published in draft. If the Government proceed with a Bill, will the Leader of the House at least give an undertaking that any controversial aspects will not be subject to a guillotine, and may even be taken on the Floor of the House?

Ms Harman: I think that it would be good idea if all the Bill's stages were taken on the Floor of the House—and although there has been no formal publication of the draft Bill, a Bill in draft is being developed. If any Members would like to have a look at what might be in it, they should just come to my room and I shall show it to them. I do not want to go through the palaver of the publication of a draft Bill, but it is no secret that a Bill is being drafted, it has some clauses in it, and the more people who feed their contribution in before it is brought to the House on Second Reading, the better.

Keith Vaz (Leicester, East) (Lab): May we have a debate or a statement on the position of British citizens who are the victims of crime abroad and wish to claim compensation? My constituent Luke Laurent was subjected to a vicious stabbing and attack in Cyprus, and has been trying for the past year to claim compensation. After the Tampere discussions and Hague 2, it should be much easier for British citizens to claim compensation in EU countries. Will my right hon. and learned Friend look at the matter to see whether we can have a debate or statement on this important issue?

Ms Harman: Perhaps my right hon. Friend could raise the matter at Foreign and Commonwealth Office questions, which is not next week, as I said earlier, but the week after next.

Jo Swinson (East Dunbartonshire) (LD): All of us have constituents who have studied hard for years only to leave education this summer with very uncertain job prospects. Graduate unemployment is projected to double, and some estimates are that the number of jobless under-25-year-olds could rise to more than 1 million, so may we have a debate on youth unemployment and what the Government are doing to tackle the problem?

Ms Harman: Members could raise the issue later this afternoon in the debate about the economy. It is absolutely at the centre of the Government's concerns that we should protect people from unemployment and from being thrown out of work, which is a tragedy for every individual. It is even worse when that individual is a young person who left full-time education full of hope, only to feel that they have been thrown on the scrap heap before they have even begun. To avoid that, we have injected billions of pounds of extra funds into jobcentres and are providing apprenticeships, training guarantees and internships. We are definitely working to address those issues, and there will, no doubt, be more discussion this afternoon in the debate about the economy.

Sir Nicholas Winterton (Macclesfield) (Con): I am not sure whether the Leader of the House is aware of this, but the courageous Prime Minister of Zimbabwe, Morgan Tsvangirai, will visit the United Kingdom—and, in fact, the House of Commons—next Tuesday. Would it not be possible—and I ask her please not to tell me to put a question next Tuesday to the Secretary of State for Foreign and Commonwealth Affairs—for a Foreign Office Minister to make a statement, indicating the contact that the Government have with South Africa, the African Union and Zimbabwe's other neighbouring states to monitor the progress towards better forms of democracy in that country, so that we might help the people with meaningful aid, as we are currently unable to? Would she ask for a statement to be made on the Floor of the House?

Ms Harman: I shall ask the Foreign Secretary to consider whether, on the occasion of Morgan Tsvangirai's visit, there could be a written ministerial statement setting out the Government's extensive international and bilateral contact in support of the Zimbabwean people, and the extensive aid development programme going into that country.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): May we have a debate on the proposed changes to how furnished lettings are treated for tax purposes? Many of my constituents rent out property, and for tax purposes they are considered to be trading. The proposed changes will alter that, at enormous cost to some people, especially farmers. As the recession continues to bite, is it right that the changes are being brought in now?

Ms Harman: If the hon. Gentleman is concerned about farmers—

Mr. Lancaster: Farmers are an example.

Ms Harman: If the point was about farmers, the hon. Gentleman could raise it in this afternoon's general debate on farming. Otherwise, I shall bring his points to the attention of Treasury Ministers and work out the most appropriate way of dealing with the concerns that he has raised.

Greg Mulholland (Leeds, North-West) (LD): May we have a debate about the treatment of prisoners on remand—who, of course, have not been found guilty of any offence? I should like to raise the case of my constituent Mr. Mohammed Mudhir, who was subject to extraordinarily inhumane treatment in Armley jail. A few weeks ago, the inquest jury talked of systematic failures, a culture of complacency and a lack of training. Mr. Mudhir's family have been wronged; he committed suicide as a result of the incredible catalogue of failures that he suffered in custody. Will the right hon. and learned Lady allow a debate in the House about this important matter?

Ms Harman: I shall bring the hon. Gentleman's points to the attention of my colleagues at the Ministry of Justice.

Mr. Graham Stuart (Beverley and Holderness) (Con): Some corporate groups force solvent companies into liquidation because of their pension liabilities, and then repurchase the assets for pennies in the pound. Business men enriched by such shameful behaviour then use their wealth to cosy up to those in power. May we please have a debate on the implementation of the Pensions Act 2004, so that we can ensure that pensioners are not ruined by the behaviour of companies such as the Caparo group, which is owned by the Prime Minister's close confidant Lord Paul of Marylebone?

Ms Harman: It is for the Chair rather than me as Leader of the House to say so, but I really think that it is too easy to use business questions to take a pot shot at, and make allegations about, people who are unable to respond. If the hon. Gentleman had given me notice I might have been able to give a substantive response. He has not, so I cannot challenge what he has said. Will he please, however, regard it as challenged, even though I do not know what he is talking about? I shall raise with the Treasury the point about solvent companies being pushed into liquidation.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. It so happens that I did know what the hon. Gentleman was talking about. There was a debate, and during it I made a ruling about the use of the name of a Member of the other place; I hoped that the matter might have rested at that.

Dr. Julian Lewis (New Forest, East) (Con): Following the brilliant speech in the other place by Lord Campbell-Savours last night, the measures taken by this House to protect the security of MPs' and election candidates' home addresses were finally endorsed and passed the last hurdle. There will be no more questions on that subject from me. May I instead ask for a debate in Government time on the unpredictability of future conflicts? That would enable the Government and the Opposition to say why it is important to keep a strategic nuclear deterrent between 2025 and 2055—unlike the Liberal Democrats, who seem to think that because we are fighting counter-insurgencies now, there could be no nuclear threat to this country half a century into the future.

Ms Harman: I am sure that the hon. Gentleman will find an opportunity to make those points to Defence Ministers at the next Defence questions.

Mr. Paul Burstow (Sutton and Cheam) (LD): I draw the right hon. and learned Lady's attention to early-day motion 640.

[That this House notes with concern the findings of a University College London study into the prevalence of abuse by family carers of people with dementia that as many as half of carers reporting some abusive behaviour; further notes the finding of the UK Study of Abuse and Neglect of Older People 2007 that as many as 342,000 people aged over 66 years are victims of abuse in the community, often committed by family members; welcomes the Government's review of its current safeguarding vulnerable people guidance, No Secrets; is concerned that the review concentrates on abuse by paid carers; believes that guidance issued under section 7 of the Local Authority Social Services Act 1970 does not carry the same status as legislation; calls on the Government to introduce legislation that provides a statutory basis for the construction and work of adult protection committees (APCs); and imposes a duty on agencies to collaborate, share information, actively participate at a senior level in APCs and work together to establish a right to access the adult at risk without hindrance or coercion and provide powers to protect the welfare of a person found to be the victim of abuse.]

It states the case for placing on a statutory basis issues of elder abuse and the protection of vulnerable adults.

Furthermore, I should like to mention early-day motion 1296, which deals with the case of Margaret Haywood, who—scandalously—was struck off by the Nursing and Midwifery Council for blowing the whistle on the poor treatment and neglect of older people in another institution. May we have a debate on those two issues? The House has legislated to protect children and punish those who commit domestic violence. Is it not time to make sure that these other vulnerable people in our society get the same sort of protection?

Ms Harman: Obviously, we need tough, enforceable measures in criminal law and a proper regulatory framework to protect those in residential care. The number of people over 85 is set to double in the next two decades, so the issue is of growing importance. Last week we had a debate on carers, and Health questions will be taken next week. A number of hon. Members have raised the point; it was raised at Prime Minister's questions yesterday. We will look further for an opportunity to take the issue forward.

Tony Baldry (Banbury) (Con): May we have a debate on the procedure used for early-day motions? There are now 1,700 of them on the Order Paper, and there is no evidence that they are ever read by Ministers or officials. Unlike what happens with petitions, there is never a ministerial response to them unless they are specifically raised in business questions. Outside groups, however, set great store by them.

Could we not have a system whereby an early-day motion that attracted sufficient signatures got at least a ministerial response? If an early-day motion attracted a large number of signatures, there could be the possibility of a debate on it. I do not think that there is a recorded instance of any of those 1,700 early-day motions ever getting debated, unless one happens to be adopted by the Opposition as a basis for a debate in Opposition time.

Ms Harman: The setting up of a business committee is to be considered by the Committee that we hope to establish, chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright). If the House is minded to move control of non-Government business from the Leader of the House to such a Committee, the question of enabling early-day motions with a certain number of signatures to be debated on the Floor of the House on a substantive motion will be very much a possibility. The Committee to be chaired by my hon. Friend could look into the idea and come up with proposals promptly.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I hope that the Leader of the House accepts that scrutiny of legislation on Report is House business, not Government business. Obviously, I welcome the establishment of the Committee to be chaired by the hon. Member for Cannock Chase (Dr. Wright). Within its remit should be the issue of how we as a House handle the scrutiny of legislation on Report. It would be ridiculous to set up that Committee and have an election for the speakership that involved consideration of reforms to scrutiny on Report, while Bills such as the Health Bill—and the right hon. and learned Lady's own Equality Bill—come back during that time and yet again receive what is felt, regardless of what the Government think, to be inadequate scrutiny by the House. Will she clearly specify how she proposes to do things differently in respect of the Equality Bill this time, as an example of how we want the scrutiny of all legislation on Report to be?

Ms Harman: Timetabling on Report is an attempt to make sure that all aspects of the Bill receive scrutiny, and that the House does not spend so much time on a couple of clauses that some are not scrutinised. However, I readily acknowledge that that has not always been the result. We want to be flexible so that if issues arise in Committee and Government amendments can be brought forward, that should be done. However, we should not find ourselves in a situation where those amendments are not properly scrutinised. There is a lot of justification for the points raised by the hon. Gentleman, and they can be within the remit of the Committee that I hope will be established, chaired by my hon. Friend the Member for Cannock Chase. However, I would say that the Report stage of a Government Bill is Government business, however we look at it.

Mr. David Burrowes (Enfield, Southgate) (Con): Tomorrow the House will further consider the commendable provisions in the Autism Bill, which deserve full support. However, may we have a debate about autism in the context of the criminal justice system? My constituent Gary McKinnon, the computer hacker, has been diagnosed with Asperger's syndrome, yet the Home Secretary—or at least the previous Home Secretary—chose to disregard the impact of his condition and approved his extradition to the United States.

Ms Harman: I am sure that all aspects in relation to that individual would have been taken into account when considering an extradition process. As for the work on autism, the Government believe that the strategy across the Department for Children, Schools and Families and the Department of Health goes even further than the points raised in the Autism Bill, although that Bill offers a welcome opportunity for further discussion.

Mr. Alan Reid (Argyll and Bute) (LD): The "Digital Britain" report caused great concern in the highlands in relation to radio, because it proposes that all national broadcast radio stations should move from analogue to DAB by 2015 and that all car radios are to be converted. However, the presence of DAB in the highlands and islands is almost non-existent. I hope that if the Government are switching from analogue to DAB they will ensure that everywhere in the country that can currently get the analogue radio signal will get DAB. May we have an urgent debate so that those issues can be raised?

Ms Harman: Earlier this week we had a statement in the House, and precisely those issues were raised. The whole approach of the Government is that just as it is expected that everywhere in the UK where people live there should be a supply of water and electricity, there should also be broadband working to a high degree, and digital inclusion. I am therefore sure that the hon. Gentleman's points have already been taken on board.

Mr. Philip Hollobone (Kettering) (Con): Given that topical debates are meant to be topical, and given the strategic importance of the tumultuous and dramatic events in Iran, could we have a topical debate on that country next Thursday?

Ms Harman: While the Foreign Secretary is, as he has made clear, working very closely with other countries to ensure that the will of the Iranian people is recognised, it is important to say that this is a matter for the Iranian people and the Iranian electoral authorities. Obviously, however, we want to be absolutely sure that everyone has the right to demonstrate and no one suffers as a result of the demonstrations.

Mr. Edward Davey (Kingston and Surbiton) (LD): Following the revelation in today's *Guardian* that Tony Blair approved policy guidance to British intelligence officers on interviewing detainees overseas that probably led to Britain being in breach of our international obligations under the UN convention against torture, may we have a debate on how this House scrutinises such policy guidance? Could the Leader of the House ensure that such a debate is led by the Secretary of State for Justice—not least because he was Foreign Secretary at the time when that guidance was approved and, along with the right hon. Member for Sheffield, Brightside (Mr. Blunkett), must surely also have been responsible for approving such policy guidance for our intelligence services?

Ms Harman: I am confident that we would not have broken any international obligations prohibiting torture, not just because we have entered into international obligations but because we abhor torture and would never have anything to do with it.

UK Climate Projections

12.24 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): With permission, Mr. Deputy Speaker, I would like to make a statement on the publication of new projections for the UK's future climate. A summary will be placed in the Vote Office and full details can be found on the Department for Environment, Food and Rural Affairs website.

The House knows that climate change is one of the greatest challenges we face. The world's climate is already changing: the 10 hottest years on record have occurred since 1990, including every year between 2001 and 2006. In the UK the 2003 heat wave led to over 2,000 excess deaths, and yet average temperatures that year were just 2° higher than normal. In 2006 the south-east experienced a severe drought. Eight million people in the region are dependent on rivers for their water supply. In 2007 we saw widespread flooding across the country, and a storm surge came within 10 cm of overtopping the defences at Great Yarmouth.

The projections we are publishing today—more than 4,000 maps on the website—give us a clear sense of what we might be able to expect over the next 100 years. They represent the best science we have on how our climate is likely to change; and they are a call to action. I want to thank the scientists at the Met Office Hadley Centre and many others for bringing home to us how these changes in our climate—with a greater likelihood of heat waves, flooding, drought, and coastal erosion—will affect our society, and how important it is that we reach a deal at the UN climate change conference in Copenhagen this December. We are, of course, already taking significant steps to cut our emissions. With the Climate Change Act 2008, we became the first country in the world to set legally binding carbon budgets.

Across the UK, the projections show a range of climate changes up until the end of the century based on three possible greenhouse gas emissions pathways: high, medium and low. Broadly speaking, the world's emissions are currently closest to the medium pathway, although there is still a risk that we could be heading for the high one. While we cannot be absolutely sure what will happen in future, and there are uncertainties—these projections are not a long-range weather forecast—they do show the probabilities of potential changes for the UK, and that is a future that we must avoid.

The projections based on the medium emissions scenario show that by the 2080s—within the lifetimes of our children and grandchildren—we could face an increase in average summer temperatures of between 2° and 6° C in the south-east, with a central estimate of 4°. They show a decrease in average summer rainfall of 22 per cent. in Yorkshire and Humber and in the south-east, which is already short of water, and an increase of 16 per cent. in average winter rainfall in the north-west, with increases in the amount of rain on the wettest days leading to a higher risk of flooding. They also show a rise in the sea level for London of 36 cm. Temperatures would rise even more under the high emissions pathway, which could mean peak summer temperatures in London regularly reaching over 40°.

Those results are sobering, and we know that those changes will affect every aspect of our daily lives. The first clear message is that only by cutting emissions through a global deal in Copenhagen can we avoid some of the extreme changes that the projections describe. Moreover, even if we achieve our international target to limit global temperature rise to 2°, we will still have to live with some level of change. That is because it will take 30 years for past emissions to work through the system, so the next three decades of climate change are already set. By 2040, what was exceptional in the summer of 2003 will have become normal.

The second message of these projections is therefore that we must plan to adapt to changes that are now unavoidable—and this is a job for all of us. That is why we have more than doubled spending on flood and coastal protection since 1997, and we are on course to provide better protection for about 160,000 more homes across England. We are taking action to tackle water scarcity and improve water efficiency. For the first time, all Government Departments are producing their own adaptation plans, which they will publish by next spring.

The NHS now has a heat wave plan to protect vulnerable people from hot weather. The Department for Transport has reviewed its design guidance for roads, looking at drainage capacity and new road surfaces. With the Department for Communities and Local Government, we are already working with more than 50 local authorities that have made adapting to climate change a priority in their local area agreements.

All local authorities will in future have to consider adaptation when taking planning decisions, and from today all major Government investment will have to take into account risks from climate change.

In the Climate Change Act 2008, we took the power to require public bodies to adapt and to report on the steps they are taking. Today I am launching a consultation paper proposing the first 100 organisations, including Network Rail, the National Grid, Ofwat and the Environment Agency, that will be required to tell us what they are doing. I am placing copies of that consultation paper in the Library of the House.

The economic case for acting now is very strong, as the Stern review made clear. By investing in flood defence, for example, we estimate that we can reduce the annual cost of flooding by 80 to 90 per cent. in the years to come. There may also be some economic opportunities, for tourism and agriculture, for businesses developing adaptation technologies and for jobs in new infrastructure projects.

Climate change is going to transform the way we live. These projections show us both the future we need to avoid and the future we need to plan for. As well as cutting emissions, we have to start making changes today. I commend this statement to the House.

Nick Herbert (Arundel and South Downs) (Con): I thank the Secretary of State for early sight of his statement and for his courtesy in briefing me this morning.

This week, a report on global climate change impacts in the United States showed that climate change is already affecting water, energy, transport, agriculture, ecosystems and health. Those impacts are occurring now and are expected to increase. These new Met Office projections reinforce the US report and make the scale of the challenges facing our own country startlingly clear.

[Nick Herbert]

Does the Environment Secretary agree that these data again tell us that it would be a serious mistake to suggest that climate change will have only benign impacts in the UK, or that we will somehow be insulated from the worst effects? Some people claim that even if global temperatures are rising, it is a cyclical event. Is that not a dangerously flawed and even complacent view? Will he confirm that the temperature of the planet is already at its highest, and that the rate of change is accelerating?

Given the gravity of these assessments, we agree with the Environment Secretary about the importance of the forthcoming Copenhagen summit. There clearly needs to be co-operation on climate change mitigation and adaptation measures at international level, but is it not essential that for Britain to be seen as a world leader, we cannot just go to Copenhagen and ask other countries to sign up to an agreement without being seen to be delivering at home? Over the past decade, the UK's carbon emissions have flatlined, and he himself has admitted that the Government will not meet their 2010 reductions target.

The Secretary of State says that the Government are taking significant steps to cut emissions, but effective measures require more than setting targets. Practical steps to decarbonise the UK's economy are now essential. Will the Government adopt the Conservative party's low-carbon economy proposals, including an immediate upgrade in the energy efficiency of homes and a smart electricity grid so that we can consume energy more intelligently?

We need to adapt in this country for temperature changes that we will not be able to avoid. Is it not the case that that aspect of the climate change agenda has been too much overlooked, despite the significant known risks of increased flooding and coastal erosion, the implications for our road and rail network and critical infrastructure, the loss of wildlife habitat and the impact on health? Can the Environment Secretary confirm that the cross-Government programme to assess the costs and savings involved in adaptation will not even begin to be developed until 2011? When will the climate change adaptation sub-committee meet?

The greatest climate change risk facing the UK is flooding. The floods of two years ago were a reminder that what we are talking about today can have a devastating impact on people's lives. Can the Government explain why one in four major flood defence projects have been delayed since then, and why the majority of the recommendations of the Pitt report on the 2007 floods have not yet been implemented?

The impact of rising temperatures on our natural environment, agriculture and water resources will be significant, and it could be severe. We are already facing biodiversity loss and water shortages in many areas. Is it not time to consider a radical new approach to ensure the sustainable management of natural resources? Do we not need a regulatory framework that incentivises the conservation of water? To help wildlife adapt and find new habitats, do we not need to think beyond traditional protected areas and start to create new green spaces?

The new plans are a welcome update to the last climate change scenarios, which were produced in 2002, but have these projections not been delayed on several occasions? The national flood risk assessment, which has been informed by the data, has also been delayed by several months. Does the Environment Secretary recognise the need to balance the regular provision of information, to keep people updated with the latest projections, with the need to provide a degree of certainty for those making long-term plans and investment decisions, at least to the greatest extent possible?

One of the authors of the US report said this week:

> "The most important thing…is that the impacts of climate change are not something your children might theoretically see 50 years from now."

Is not the message of the Met Office's projections not only that action to reduce carbon emissions is essential to avoid very serious climate change events in future, but that we need to begin preparing now for significant changes in the environment that we can no longer avoid?

Hilary Benn: I agree wholeheartedly with what the hon. Gentleman said about the message that the projections give us. If there are those in society who somehow think that climate change is not happening and we do not need to worry, and that we can puff up the bed covers and hope it will all go away, they are profoundly mistaken. That is why I believe the publication of the projections today will have an impact, and a lot of people will have cause to think about what the future may hold if we do not change it.

With respect, it is not true to say that the UK is not delivering on its own commitments. As the hon. Gentleman will know, we are one of the few countries that will not just meet its Kyoto commitments but do more than that. Frankly, when one looks around the world, one finds a lot of countries where that is not the case.

The hon. Gentleman mentioned smart meters, and there is a plan to roll them out over 10 years. As he knows, we as a nation are investing a significant amount in renewable energy, and we are producing more electricity from offshore wind than any other country on the planet. The consultation on coal, for which my right hon. Friend the Secretary of State for Energy and Climate Change was responsible, set out proposals that will give us the toughest regime for any future coal-fired electricity generation of any country in the world.

On the adaptation sub-committee, the hon. Gentleman will be aware that Sir John Krebs has been appointed to chair it, and I hope to make an announcement very soon about the other members. It is not the case that the programme is not going to start until 2011. A cross-Government programme is already under way, but the national risk assessment must be pulled together by that date.

With respect, I disagree with the hon. Gentleman's assessment of the progress that we have made in implementing the recommendations in Sir Michael Pitt's report. What he said is not Sir Michael's view, and he is in a better position to make judgments than either the hon. Gentleman or I. We have made a lot of progress, and I shall shortly report to the House with a further update on what has happened since I last reported in December.

The hon. Gentleman made an important point about new green spaces. He drew attention to the sites of special scientific interest that we currently have. They

reflect what is special now, but a changing climate may alter that. One thing that will have to adapt over time is the system we have in place to safeguard what is special. We must recognise that climate change will have an impact on that.

On the hon. Gentleman's final point, I want to be straight with the House and say that there is a balance to be struck. As he will know, this is cutting-edge science and an enormous amount of work has gone into producing the projections. Those involved should not apologise for one second for taking the time required to get them right. However, he is correct to say it is important that we get the information out. The 2002 projections were for then, and the new ones give us a much better assessment of the probability of the change. He knows, as does the whole House, that there is no absolute certainty, but I think we have struck the right balance. It will be for everyone who sees the projections to make their own judgment about the message that they send us, which is pretty clear, and the action that we need to take to adapt.

Dr. Kim Howells (Pontypridd) (Lab): I congratulate my right hon. Friend on an impressive, timely and comprehensive statement. May I urge him and my right hon. Friend the Secretary of State for Energy and Climate Change to resist the temptation to cover the superb wild uplands of Wales and other beautiful parts of this country with thousands of wind generators, not one of which would be built without a direct or indirect subsidy from the British taxpayer? Will he get on with the much more sensible and much cleaner way of generating energy—a new nuclear power station programme?

Hilary Benn: There are places in the country where it would not be appropriate to put wind turbines, including some of our most beautiful landscapes. However, the biggest obstacle to more onshore generation of electricity from wind power is planning permission, followed by issues to do with the grid connection. It has therefore been easier to get agreement offshore. In the end, we cannot pick and choose because we will need all such means of generating energy. The Government, with some foresight, said a little while ago that nuclear needed to be part of the mix, as well as cleaner coal, which my right hon. Friend the Secretary of State for Energy and Climate Change announced recently, and renewables. We must also not forget that we can do much to reduce our consumption of energy. That is why the home insulation programme, on which we are leading, is an important contribution to the progress that we all support.

Simon Hughes (North Southwark and Bermondsey) (LD): I thank the Secretary of State for his statement and for today's early briefing, and I welcome the Secretary of State for Energy and Climate Change back to the House after his paternity leave and send him best wishes for his new responsibilities.

We are grateful to the Secretary of State for Environment, Food and Rural Affairs, and ask him to pass on our thanks to the Met Office scientists, who have done a fantastic amount of work. They have produced what is probably one of the most significant pieces of scientific work to influence the debate for decades. We owe them great respect—they are hugely well regarded.

We are also grateful to the Government for being honest about the conclusion, which the science backs, that we will experience a 2° rise in temperature. According to assessments by the Intergovernmental Panel on Climate Change, that might mean that between two and three species are at further risk of extinction. We must face up to the biodiversity implications.

Does the Secretary of State accept that the statement predicts the fastest and most dramatic change in our environment that has ever been witnessed in such a short time? Today's projections probably mark a watershed in how we consider the future. We now have the evidence at home as well as abroad to show that we must change the way we do things in this country and plan our future differently.

I have some questions about the specifics. Does he accept that we must rethink food production in this country so that we are more self-sufficient in different parts of the country, avoiding the areas that have been most at risk from flooding and might be at more risk in future? Will we not have to rethink how we ensure access to clean water at all times, when more storms and unexpected global events are likely, with the consequent risk to the water supply? Will we not need to think carefully about our housing and planning? We will have more people to accommodate and many more houses to build, but we need to be much more careful about where we build them, given what we know about the risks in Gloucestershire, parts of Yorkshire, places on the east coast and, indeed, along the Thames estuary.

I have a different view about energy policy from that of the right hon. Member for Pontypridd (Dr. Howells). Does the Secretary of State accept that we need to boost, not reduce, the opportunity for renewables as a result of the report because climate change means that we need to reduce emissions and move to other more dependable supplies? In London and the south-east, does the report imply that the Thames barrier may not be enough and that we need to start planning much earlier for further protection?

Does the Secretary of State accept that we need the same accuracy of prediction continentally and globally as we now have nationally and that we should work at Copenhagen and elsewhere on that basis?

Does the right hon. Gentleman accept that what he has told us today, based on the science, means that the Government may have to rethink some of their policies for the best of reasons—for example, the third runway at Heathrow, the plan for coal-fired power stations and the general balance of the energy mix? None of us can afford to avoid the implications of today's announcement, and we must all realise that Britain and the world need to act pretty quickly or we will risk not only future generations but this generation's ability to maintain a planet on which we can continue the sort of life that not only we but people abroad need and expect.

Hilary Benn: I am extremely grateful to the hon. Gentleman for his kind words about the Met Office scientists, who have worked so hard to give us the benefit of the projections. He is right to talk about the fundamental changes that we could face. We cannot absolutely predict the future, but we can try to plan for it. That is the message that we must take from the report.

[Hilary Benn]

The changes outlined in the report will unquestionably affect the way we produce our food. I spoke earlier about trying to garner the water that we have got. Bluetongue is a disease that travelled up Africa, swept through Europe and arrived in the UK. That is an example of a change in climate affecting our farming industry. We found a way of dealing with that—we funded a vaccination programme, which farmers strongly supported.

Of course, the changes will affect the provision of water. That is why the water companies have to think 25 years ahead in their plans about how many houses they might serve, what the population will be and so on. It is also why we changed planning policy statement 25—the guidance on housing and planning—to provide that the Environment Agency, which has most expertise in the risks of flooding, must be consulted. It is encouraging to see that many planning applications against which the Environment Agency advised have not been approved. That shows that the change that we have made to the system is working.

I agree that we need to boost renewables. The current assessment of the Thames barrier is that it will see us to 2070. The important point about the projections is that, because they give us the probabilities, all a sun hat manufacturer needs to know is that the weather will be warmer, while those responsible for protecting London from flooding want to know what the 10 per cent. probability at the upper range is so that they can plan accordingly. The Thames barrier is a result of adaptation after the 1953 storm surge, which killed 300 people.

I agree with the hon. Gentleman that we need such projections and information to be available globally. Anyone who examines what the scientists have to say to us cannot fail to understand the importance of responding, reducing emissions and adapting.

Sir Peter Soulsby (Leicester, South) (Lab): I warmly welcome my right hon. Friend's statement and the excellent scientific work that lies behind it. I note that he referred to the potential for some economic opportunities for tourism and agriculture arising from climate change. I have also heard it argued that there are potential benefits in the reduced incidence of winter illness as a result of climate change. Will my right hon. Friend take the opportunity to ensure that we and the public are not seduced by such small and doubtful potential benefits, and to emphasise that they are totally dwarfed by potentially devastating effects on vulnerable communities throughout the world and substantial infrastructure costs for us in Britain?

Hilary Benn: My hon. Friend makes an important point. We must tell the truth about the range of consequences that may flow. It would therefore be wrong not to refer to the opportunities that might emerge. We should want to take advantage of adaptation technologies and more efficient use of water so that we have the kit to fit to our houses to use water much more efficiently in future. However, my hon. Friend is right that the overwhelming message of the projections is that we do not want to end up in the sort of future predicted for 2070, 2080 and 2090. Whether we will is in our hands and those of other nations as we determine the emission reductions to which we are prepared to commit in Copenhagen in December.

Mr. Michael Jack (Fylde) (Con): The projections, especially those at the high end of the time scale, suggest that, for example, temperatures on the London underground might reach 47 °, although I think we might have got there already when travelling on the Northern line at 8 am. That raises important questions about the usability of major parts of transport infrastructure if the projections become reality. The Secretary of State has talked about the need for adaptation in a wide range of activity. What steps will the Government take to set up some form of adaptation fund to provide the long-term investment? The short-term political cycle of a Parliament that lasts four or five years, particularly when we face the economic pressures of the current situation, means that it is all too easy to postpone the necessary investment until another Parliament. Eventually, we could run out of time and not be able to afford the investments if the temperature projections reach the upper limits.

Hilary Benn: The right hon. Gentleman makes an extremely important point. The fact is that whoever is in government will have to deal with that issue, because that is the future that we are heading for. However, to be honest, I am not persuaded that a separate adaptation fund is the right approach, for this simple reason. If someone were designing a new school, would they say, "Right, I'll build it this way, like we've always done, but if a fund comes along, I shall change it, because you've given some extra finance"? Some of the changes are not very profound. Take highways, for instance. Let us say that someone building a new motorway wants to have drains of a certain capacity, but then decides to have slightly larger drains. That will not necessarily add hugely to the cost, but it does mean that as those concerned—whether they be businesses, councils or anybody else—think about how they are going to build, design and operate something, they will take those considerations into account. The message is that adaptation is not separate, new and special; rather, we have to build it into what we do every day.

Colin Challen (Morley and Rothwell) (Lab): I really do welcome today's statement, given that its timing quite deliberately coincides with my presentation afterwards of a Bill to introduce climate change health warnings in all car adverts. I would like to ask my right hon. Friend about the central role that water companies will have to play in our future. Is he happy with the regulatory regime, which obviously places the supply of good, clean, potable water at its core, but which may also militate somewhat against water companies branching out into renewable energy? I am thinking of a recent analysis by National Grid which showed that we could produce some 50 per cent. of our gas from biogas by 2020. However, the regime under Ofwat is perhaps not quite good enough to help water companies to achieve that target.

Hilary Benn: Water companies already produce quite a bit of energy from anaerobic digestion, in order to power their works. With the publication of the draft Flood and Water Management Bill and the document that went with it, we are consulting people on what more we should do on water efficiency, which the Select Committee on Environment, Food and Rural Affairs is currently scrutinising, under the right hon. Member for Fylde (Mr. Jack). Should what we do mirror what we

have been doing on energy efficiency? I would be very interested to hear what people have to say about that. However, my hon. Friend is right: if the current regulatory structure does not fit what we now know we need to do, we will need to revise what we are doing in the light of the new evidence. That seems a pretty sensible thing to do when we have new evidence, and the new projections are certainly that.

Mr. David Heathcoat-Amory (Wells) (Con): Spine-chilling projections are one thing, but may I ask the Secretary of State about his performance in meeting existing targets for emission reductions? Am I right in thinking that the Government have a legally binding commitment to source 15 per cent. of all energy consumed—not just electricity—from renewable sources by 2020, even though that is widely regarded as unattainable? Could he tell the House what legal sanctions and penalties will apply to Ministers, Departments and civil servants who sign up to targets that are legally binding in international law, but then fail to meet them? If the answer is none, does that not contrast with how the Government treat businesses, which have to sign up to and meet, by force of legal sanction, fines and even imprisonment, targets set by the Government?

Hilary Benn: The right hon. Gentleman raises an interesting point about who, in the end, holds Governments to account for the commitments that they enter into, and this is the Chamber in which we do that.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): And in the courts.

Hilary Benn: It is for the courts to determine what that means in practice if people seek to bring a legal case. Indeed, there was a judicial review recently in relation to the fuel poverty targets that we set. The issues were played out in the courts and a judgment was delivered.

The target for renewable energy is challenging—there is no running away from that—but we are putting in place the policies that we need to get there. We have seen significant change in recent years, through the renewables obligation and the further measures that my right hon. Friend the Secretary of State for Energy and Climate Change is setting out and will be getting on with.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): My right hon. Friend has rightly referred to the need for international agreement among Governments. However, does he agree that there is also a need for, in effect, an international movement of civil society, involving citizens and peoples, just as we saw with Make Poverty History and similar campaigns, to try to build up the pressure, particularly on the more recalcitrant Governments, to get the agreements that are so urgently needed?

Hilary Benn: My hon. Friend is absolutely right. The truth is that pressure from below helps Governments to move. We need politics that is a combination of leadership and those pressures. Indeed, the Climate Change Act was the result of two forces at work. One was the Big Ask campaign, which was a movement from below that said, "We should have a climate change Act in the UK," and the other was political leadership from the Government, who said, "Yeah, that's what we're going to do." The Bill was drafted and the Act is now on the statute book. That shows what we can do. Frankly, if we had asked someone 10 years ago what they thought the chances were that we would get a climate change Act, they would have said, "Well, I don't think it'll happen in Britain." However, it did happen, for precisely the reason my hon. Friend described.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Agriculture has a large part to play, through improved land management, increasing carbon sequestration and mitigating flooding by improving the permeability of the land, yet the Government have reduced research into agriculture over the years. Tomorrow I will visit Aberystwyth, where a lot of good work is being done along those lines. What plans do the Government have to increase the amount of money that they commit to agricultural research?

Hilary Benn: If the hon. Gentleman looks at the funding that goes in from DEFRA or the Biotechnology and Biological Sciences Research Council—in the end, it does not matter where the funding comes from; it is all public money going into research—he will see that the amount has increased. I draw his attention to the LINK programme in particular, which funds a range of practical projects that are near market and tries to turn our research understanding into practical applications that farmers can use. As we learn about what works, it is important that we have a way of translating it into action on farms. In truth, the way research projects have been conducted in the past has perhaps not paid enough attention to that onward transmission of the knowledge, because in the end, the purpose of the research, if we find something better than what we are doing at the moment, is to get people to use it.

Dr. Alan Whitehead (Southampton, Test) (Lab): I, too, strongly welcome the publication of these stark but important projections today and my right hon. Friend's statement in support of them. Does he accept that they will mean the almost complete decarbonisation of our energy economy at an early stage and that success at Copenhagen, which I fervently hope for, will increase our targets in that respect, as a result of our arrangements for climate budgets? Will he commit his Department to move further on the circular metabolism of resources in our economy, and in particular on the use of waste as a recovered resource and a vehicle for decarbonising energy, through heat gain from biogas?

Hilary Benn: I agree with my hon. Friend about the need to decarbonise and to change the way we think about waste. Let us take a practical example: aluminium cans. Why would we want to chuck them away into landfill? We know that if we recycle them, we can get £550 a tonne for them. It takes about 90 per cent. less energy to produce another can, as opposed to making one out of virgin material. That is a practical example of why it makes sense to think about waste in a different way. If we are talking about the right policies, the landfill levy has been very effective in moving us from 8 per cent. of domestic household waste recycled 12 or so years ago to just over 36 per cent., which is what we have now reached, although we need to go a lot further.

Mr. Philip Hollobone (Kettering) (Con): Kettering is located in one of the driest regions of England—the Anglian Water region—yet, under Government plans, it

[Mr. Philip Hollobone]

faces an increase of about a third in the number of houses by 2021. Given the variations in rainfall that the Secretary of State mentioned in his statement, is it not time to reconsider proposals for a national water grid, perhaps using Britain's canal network, as well as, unfortunately, a rapid increase in Britain's reservoir capacity?

Hilary Benn: Anglian Water is indeed serving an area of the country where there is particular difficulty. The long-term plans that it and other water companies will have to bring forward will be the means by which they consider all the points that the hon. Gentleman makes. The difficulty with a grid is what might have to be built in addition, as well as the energy involved in pumping huge amounts of water around the country. This goes back to what my hon. Friend the Member for Morley and Rothwell (Colin Challen) said earlier. The projections give us better information that will enable those making planning decisions to take into account all the consequences, including ensuring that there is enough water. It is clear that we will have to use water much more efficiently in future. Just under a third of homes now have a water meter, and we all know that, in the water-stressed areas of the country, there will have to be near-universal application before 2030.

Barry Gardiner (Brent, North) (Lab): I welcome my right hon. Friend's statement. He will be aware of the intergovernmental panel on climate change's last, rather out-of-date forecast that remaining at just 2° would involve a figure of 450 parts per million. The latest projections would require a reduction from business as usual of 17 gigatonnes of CO_2 emissions globally by 2020. It would be possible to achieve only a 5 gigatonne reduction within the developed nations, which means that a reduction of 12 gigatonnes would have to be achieved by developing nations, with all the perceived injustice that that would entail. Of those 12 gigatonnes, it would be possible to achieve five through plans involving forestry. What funds will be required to produce the offsets from the developed to the developing nations to meet that target?

Hilary Benn: The straight answer to my hon. Friend's last question is "a lot". He is right to point out the dilemma. Negotiators will have to face the fact that even if the rich world could stop emitting CO_2 tomorrow morning—for the sake of argument—the developing economies would still have to make a contribution; otherwise, we would still face dangerous climate change. Financing for adaptation, mitigation and, crucially, technology will be a really important part of getting a deal. The announcement on coal by my right hon. Friend the Secretary of State for Energy and Climate Change was significant not only because of what it said about the framework that will apply in the United Kingdom but because we will have to demonstrate carbon capture and storage operating on a commercial scale if we are to have any hope of achieving the reductions to which my hon. Friend refers. Those who develop the technology first will have the opportunity to sell it to others, and we will then have one of the means that we need to deal with this issue.

Mr. Peter Ainsworth (East Surrey) (Con): These are obviously challenging projections, and they reinforce the need for a robust deal at Copenhagen at international level and for stepping up domestic efforts, both direct and indirect. On the indirect front, will the Secretary of State confirm that it is becoming increasingly clear that imports of biofuel are contributing to the global problem of climate change, rather than helping to solve it? Is it not crazy that Government policies are helping to annihilate the rain forest in the name of the environment? Will the Government consider suspending the renewable transport fuel obligation until proper sustainability criteria have been put in place?

Hilary Benn: The hon. Gentleman makes an important point. In the end, we want sustainable biofuels, not unsustainable ones. That is why we asked Ed Gallagher to undertake his review last year. He recommended that we make some adjustment to the pace at which the renewable transport fuel obligation should grow, and we responded to that. The evidence is pretty clear in relation to the direct impacts of biofuels: some are better than the diesel and petrol that they are replacing, and some are worse. We do not want to do worse, do we? The real question, however, is the indirect effects. In fairness, Britain has been at the forefront in arguing internationally for precisely the sustainability standards that the hon. Gentleman calls for, because that is what we will need if we are to avoid the deforestation he has drawn to the House's attention.

Mr. Andrew Tyrie (Chichester) (Con): The Secretary of State is placing very heavy emphasis on these projections, and therefore on the complex models on which they are based. According to the Hadley Centre, there has been no global warming in the first nine years of this century so far. Did any of the models on which he is relying successfully predict that pause?

Hilary Benn: This century is nine years old. Courtesy of the ice cores in the Arctic and the Antarctic, we can go back 400,000 years and look at what has happened in the cycle of warming. It has gone up and down, but what has changed in the past 100 years is the rise in the concentration of CO_2 in the atmosphere. The fact that nine of the hottest years on record here in the UK occurred in the past 15 years shows that this change is happening. There may be some who want to deny this—[Hon. Members: "There are!"] But they are in a diminishing minority. I am not a scientist and neither is the hon. Gentleman, as far as I am aware, but, given the overwhelming advice that we are getting from the scientific community about not only the uncertainty but the direction in which we are travelling, it would be a very imprudent Government who did not take serious notice and respond to it.

Mr. Alan Reid (Argyll and Bute) (LD): Agriculture depends on a finely tuned climate balance, and the projected changes in the climate will have severe implications for agriculture in this country and throughout the world. What is the Government's strategy to ensure that farmers here can cope with climate change and that we have the flexibility to increase production in this country if climate change should cause natural disasters resulting in a drop in food production elsewhere in the world?

Hilary Benn: The hon. Gentleman raises an important point about the interdependence of world food supply. Some have argued for self-sufficiency, but we cannot be self-sufficient because some of the foodstuffs that we eat cannot be grown here. Furthermore, if a country were self-sufficient and something happened to affect its agriculture, what would it do? We need a combination of domestic and other production, although we are more self-sufficient now than we were in the 1930s and the 1950s. We also need to try to get production up, and to work with farmers to help them to adapt to the changing climate. We have been doing that with the industry; that is what part of the research programme is seeking to address. We have been giving guidance and encouraging people to think about the changes that they can make. I visited an apple farmer on open farm Sunday a week and a bit ago. In the corner of his field, there was a new water storage tank that he had built, because water supply is really important for growing the Cox's apples that he is so proud of.

Mr. Desmond Swayne (New Forest, West) (Con): The Secretary of State rightly pointed out in his statement that we have now established in law very challenging targets for the reduction of emissions. When are we going to get anything like a plan for how those targets are going to be delivered?

Hilary Benn: The hon. Gentleman will not have to wait too long. We are taking things in stages, and the first thing was to get the Climate Change Committee, which was established under the Climate Change Act 2008, to give us advice on what it thought the carbon budget should be. The second was for the Government to adopt those budgets, which happened alongside the money Budget, with which everyone is familiar. The third part will involve the publication of a plan to demonstrate how we intend to achieve the reductions set out in those budgets.

Andrew George (St. Ives) (LD): I represent an area of west Cornwall and the Isles of Scilly, where there will be growing anxiety about the impact of the projected changes on the rise in sea levels. What impact will the Secretary of State's announcement have on the timetable for the publication of the Environment Agency's coastline management plans? How will it affect our assessments of coastal defence and future developments affecting the coastline?

Hilary Benn: Tomorrow will see the publication of the long-term investment strategy for flood defence as part of a sequence of steps that we are taking. On Monday, we made an announcement about the help that we are giving coastal communities to prepare them for adapting to the impact of coastal erosion. It is right that the next stage should be to ask what we shall need to spend to continue to protect people from flooding, given the information in today's projections.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I am extremely grateful to you for calling me, Mr. Deputy Speaker. The Secretary of State will know that, as a physicist, I do not dispute the physics of global warming—that a doubling of carbon dioxide concentrations will produce, of itself, about a 1° rise in global temperatures. The cause for concern is the assumption in the models, to which my hon. Friend the Member for Chichester (Mr. Tyrie) referred, that positive feedbacks will amplify the effects. Given that the models did not forecast the decade of stability, or slight decline, in world temperatures, have they been modified in the light of those facts? Are not the projections lower than they would have been if they had been made a decade ago when we had not seen the stability and the huge increase of CO_2 that none the less occurred, or is the Secretary of State's attitude the same as that of Hegel who, when told that his theories were refuted by the facts, replied:

"So much the worse for the facts"?

Hilary Benn: I would not make any such claim. I am not a physicist, but I will ask scientists at the Met Office Hadley Centre to respond to the right hon. Gentleman's point. I know from talking to them that they have done their work with care and thoroughness. They have brought together a range of models and they are very open and honest about the uncertainties—it is important to be aware of them—as the results are presented. Equally, however, there is not much doubt about the direction in which we are heading, which is the direction for which we have to plan.

BILL PRESENTED

Motor Vehicle (Climate Change Information)

Presentation and First Reading (Standing Order No. 57)

Colin Challen presented a Bill to make provision for the display of climate change information in motor vehicle advertising and registration documents.

Bill read the First time; to be read a Second time on Friday 26 June, and to be printed (Bill 114).

Preparing Britain's Economy for the Future

Topical debate

1.12 pm

The Economic Secretary to the Treasury (Ian Pearson): I beg to move,

That this House has considered the matter of preparing Britain's economy for the future.

Nobody in the country today needs reminding of the difficult times the world economy currently faces. It is a hard truth that the global economy has contracted for the first time since the second world war. Output in the UK has fallen over the last three quarters by 4.1 per cent. and by 3 per cent. in the US, 5 per cent. in Italy, 6.9 per cent. in Germany and 9.1 per cent. in Japan—grim statistics indeed. Now is a time for action, a time for tough decisions. Moreover, it is a time to take decisions for the long term as well to respond to the immediate problems. That is why today's topical debate is so important.

Of course, the No. 1 priority has been to deal with the immediate problems, ensuring that the downturn is as short and shallow as possible. This means responding in particular to the threat to the economy posed by the banking crisis, but it also means taking steps to mitigate the impacts on real people—on those who may have lost their job or been unable to find their first one, on those worried about their financial circumstances and their savings, or on those perhaps having trouble paying their mortgages or getting on the housing ladder. The longer-term challenge is no less important. That means preparing for the upswing to ensure that we have a sustained recovery and make the most of the UK economy's underlying strengths.

Mr. Philip Hollobone (Kettering) (Con): Given the Minister's remarks on helping people through the worst of the downturn, will he take this opportunity to congratulate Kettering borough council, of which I am a member, on hosting not only what it called a "credit crunch summit" that brought many local agencies together to see how best to help local people, but a jobs fair, which was attended yesterday by 300 local people trying to find out more about the local employment opportunities available as well as by a Minister from the Department for Communities and Local Government? Are not such local initiatives really important in helping local people through the worst effects of the economic recession?

Ian Pearson: I certainly applaud local initiatives such as those in the hon. Gentleman's Kettering constituency. I believe local authorities can play a great role and that local activism is essential, just as I believe that the Government must be active to help people and businesses through these difficult times.

I want to emphasise the longer-term challenge and the actions we are taking to prepare the UK for the upswing. Although there is more to be done overseas and at home, recovery will come. As the Chancellor said in his Mansion House speech yesterday, there is growing evidence that the steps taken at home and internationally are stabilising the banking system and supporting our economies. We expect the UK economy to return to growth around the turn of the year, and we are confident about the British economy in the medium term, but we are not complacent. We must recognise the numerous risks that could threaten both a recovery in the short term and sustainable growth in the future.

We have taken steps in the UK to support the cash-flow, credit and capital needs of businesses. Banks have been recapitalised and steps have been taken to unstick wholesale markets. The enterprise finance guarantee and the working capital scheme are helping to ease the strain of the downturn, and banks are now committed to lending more. We have started to see conditions improve. At the same time, HMRC's business payment support service is allowing firms to spread tax payments over a longer and more affordable timetable.

As of 14 June, more than 149,000 agreements had been reached with businesses, worth £2.6 billion of tax. In the automotive industry, for instance, the vehicle scrappage scheme is providing a temporary and welcome boost to the industry at a difficult time. Figures released this month show that more than 60,000 new cars have already been ordered since the scheme was announced—and this is only part of a wider package of support for motor industry.

Mr. Alan Reid (Argyll and Bute) (LD): Looking to the longer term, is the Minister concerned that when the economy starts to pick up again, we might run the risk of inflation? One lesson from the past is that the Bank of England should be instructed to take house prices into account when setting interest rates. It has not done so in the past, and we have seen low interest rates in the good times leading to house price rises, while in the bad times we have seen interest rates too high. Will the Minister instruct the Bank of England to take house prices into account when setting interest rates in future?

Ian Pearson: We have a very effective inflation-targeting regime. As the hon. Gentleman knows, the Bank of England was set up to be independent by the Government and it has a clear remit to bear down on inflation. We see no risks to inflation in the short or medium term, but these are matters for the Bank of England.

We are taking important action now to help business through these tough times. At the heart of our strategy for tackling the economic downturn is our ambition to build for the years ahead, which is where I want to focus my comments.

It has been my great privilege as a member of the Government to see from all angles both the challenges we face and the strengths we have as a country. As Minister for Trade, I saw how the UK was respected and trusted around the world for its openness and sense of fair play. I saw how China and India were already transforming the global economy and know how they will become even more prominent in the decades ahead. That highlights the central importance of our need strategically to partner with them in future.

As the Minister for Climate Change and the Environment, I saw compelling evidence on global warming and how it will affect our planet if we do not take action, but I also saw the tremendous opportunities available to businesses that can become the first movers in helping to build the low-carbon economies of the future. As the Minister for Science and Innovation, I saw the world-class research expertise in our universities and the opportunities for innovation it presents for UK

companies with the skills and the imagination to help us respond to the challenges of climate change in a globalising world.

As the world economy emerges from the downturn, there will be major new opportunities for British business, but global competition is getting tougher and technological change is always accelerating. We cannot afford to stand back as other countries invest and raise skill levels in high-value sectors.

I consider it vital for the United Kingdom to continue to invest in infrastructure in the economy, and to have an active industrial policy. In April the Government outlined their vision for Britain's economic and industrial future in a document called "Building Britain's Future - New Industry, New Jobs", which explains where Government action can have the most impact. We need to invest in growth to speed recovery and support the manufacturing and services that are essential to ensuring that British people and businesses can compete successfully for the jobs of the future.

If we are to succeed in the high-tech, low-carbon economy that lies ahead, we need to act wherever we can to remove the barriers that hold business back. In April, in the Budget, we announced a £750 million strategic investment fund to support advanced industrial projects of strategic significance, £250 million of which will be earmarked for low-carbon investments. The statement that we heard earlier demonstrates the need for us to continue to take action on the low-carbon agenda. A further £50 million will be spent on expanding the Technology Strategy Board's budget and its programme of support for business innovation, which is also vital to our long-term economic prosperity. It will help to drive future growth in areas such as low-carbon technologies, but also advanced manufacturing more generally in the life sciences. Those funds will help to turn more bright ideas into products that can succeed in the marketplace and improve our ability to identify the skills that are needed for future success.

As I have said, infrastructure—our energy infrastructure, water, transport and telecommunications—is vital to our future. I believe that, in that future, Britain will compete with other countries in the quality of infrastructure it can provide for its people and its businesses. Preparing for that future means adapting to the changes that are transforming the world in which our people and businesses operate. The digital revolution is one such transformation. The "Digital Britain" report that was published this week sets out clear plans for an active industrial policy to maximise the benefits of the digital revolution.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Minister talks of the importance of the infrastructure of Great Britain, and Members on both sides of the House agree that that is paramount, but why is it taking so long to create a common gas market in Europe? The security of energy supply that the infrastructure is supposed to bring is as important as the infrastructure itself. At present we are seeing the problems created by Russia's turning the taps on and off and sending ripples throughout Europe. We must address that problem. It does not matter how robust our infrastructure is if no gas is coming through.

Ian Pearson: I agree with the hon. Gentleman about the importance of an integrated European infrastructure when it comes to gas markets. He will know of the work that the Government have done in seeking to promote open energy markets in Europe. It is important not only for Britain to have a 21st-century infrastructure but for Europe to modernise, and we recognise the interconnections involved in that.

Life sciences are also important to the UK economy. That is one of the reasons we created the Office for Life Sciences, which is working with industry to make further improvements in the operating environment for the pharmaceutical, medical biotechnology and health care technology sector in the United Kingdom.

In my view, there has never been a more important time at which to look to the future. Conditions will improve and confidence will return, in the United Kingdom, in Europe and globally. We are absolutely determined that when that happens, we shall be ready to take full advantage of the opportunities that the upturn will bring in a changing global economy. By setting out our vision for the long term, we are laying strong foundations for a prosperous and sustainable future. We will continue to work to deliver on that agenda to provide the support for new industry and new jobs that the UK economy needs and the British people want and expect a Government to deliver on their behalf.

1.25 pm

Tony Baldry (Banbury) (Con): When the Government's business managers tabled today's debate, I do not suppose they expected it to take place immediately after a very public spat between the Chancellor of the Exchequer and the Governor of the Bank of England. At last night's Mansion House dinner there was more back-stabbing than back-slapping. The Governor made it clear that

"fiscal policy... will have to change".

Very wisely, Mervyn King pointed out that in five years the national debt would be more than double its current level of around 40 per cent. of GDP. He said, without any ambiguity,

"it is also necessary to produce a clear plan to show how prospective deficits will be reduced during the next Parliament".

The spat was all the more stark as a result of the Prime Minister's very strange performance yesterday at Question Time. He seemed to find it impossible to give a straight answer on budget deficits, an issue to which I shall return shortly.

I am vice-chairman of the all-party parliamentary group on China, and last week I attended a conference about Hong Kong which had been organised by the Hong Kong trade office here in London. The message—the same message that we hear from the excellent Chinese ambassador to London—is that China is moving out of recession. Similar signals are coming from India. Some confidence is beginning to return to the London stock exchange, although it is probably too early to assert that the worst economic storm since the 1930s is over.

Professor Robert Shiller was in London a couple of weeks ago. It was Professor Shiller who predicted the end of the dotcom boom in March 2000. He was also one of the first to warn that the United States housing market was seriously over-valued, and that its collapse would have a huge impact on the world's largest economy. When he was in London, he warned that the recent stock market bounce should be treated with caution. He and others think that we could be in for a W-shaped

[Tony Baldry]

recession, with recovery so fragile that we could be plunged into another slowdown as soon as we emerge from the present one.

There are still a number of issues that threaten any long-term recovery for the British economy. Rising unemployment, mortgage defaults and a possible further wave of company failures could surprise us yet. Today's unemployment figures make grim reading. The ranks of the unemployed are now swollen to 2.26 million, the worst figure for 13 years. We seem to be losing jobs at a rate of 100,000 a month. There is every indication that unemployment will continue to rise, and will end up a great deal higher: an unemployment rate above 10 per cent. is almost certain. To put it more bluntly, unemployment may well reach more than 3 million.

As a result of the recession, Jobcentre Plus is becoming bigger by the day. It now has 70,000 employees. It is already the Government's biggest agency, and it is seeking to employ an extra 10,000 staff. Even if the economy does start to turn up, the prospects for the jobless do not immediately look good. In my constituency, local unemployment is at a 13-year record high. The number of jobseeker's allowance claimants continues to increase, a number of major local employers have had to make redundancies, and the local unemployment rate has trebled since March 2008. Locally, as a community, we are determined that no one should be left behind in the recession. We have set up two job clubs, one in Banbury and one in Bicester, to give every possible support to those who have lost their jobs: to support them while they are out of work, and to help them back into the world of work as soon as possible.

If the economy is starting to show some signs of sunshine, the clouds have yet to pass. As *The Economist* noted last week,

"another cloud already looms on the financial horizon: massive public debt."

The simple truth is that our budget deficit is the highest in our peacetime history, and the highest in any G20 country. The reality is that we face a debt crisis. As I made clear in the debate on this year's Budget, the reality is that existing Government plans show that whoever wins the next general election, Government spending will have to be cut. The figures are all there in this year's Budget Red Book.

The Institute for Fiscal Studies says that the Government's plans imply a cash freeze on Government Departments for three years from 2011 after debt interest and other unavoidables. Allowing for inflation, that becomes a 2.3 per cent annual real-terms cut, or 7 per cent over three years. Both the Conservatives and the Government have said that they want to protect health spending; that is obviously appropriate as we have a fast-growing population. As a former chairman of the International Development Committee, I am glad that we have made it clear that we will honour the promise we made to increase the development budget to 0.7 per cent. of gross national income. Given the reality of the Government's Budget figures, and given the bills of rising unemployment and the huge interest costs of soaring national debt, many Departments will inevitably face budget cuts.

I think that everyone is now pretty much agreed that we have reached the limits of our abilities to take on ever more debt without risking the economy as a whole.

"We need"

said *The Independent* in a recent editorial

"this acceptance of economic reality so that our political system can move on to the serious debate about where those public sector cuts should or should not fall. If there is to be a reshaping of the public realm, it must be enacted with serious thought."

In short, the debate that we need to have for the foreseeable future is how we tackle the debt crisis and deliver quality public services when spending is tight. Ministers—in particular the Prime Minister—seem incapable of acknowledging that reality. Let me give one example.

Even in the Department of Health things will be tough. Nobody is more respected on NHS research than the King's Fund, and in its briefing on the Budget it says that

"from 2011 this period of growth will end. Treasury forecasts issued with the Budget suggest that the NHS is set to receive low or zero real growth in funding after 2011. The Institute for Fiscal Studies' forecasts suggest real term reductions from 2011 are a strong possibility…the poor state of the public finances means that the NHS must prepare at best for very low or zero growth in funding from 2011 onwards. The government's forecasts for annual real increases in total government spending on public services and benefits from 2011/12 were 0.7 per cent. However, the Institute for Fiscal Studies has calculated that once debt pressures and growth in spending such as unemployment benefits are taken into account, this 0.7 per cent. growth translates into an average real reduction of around 2.3 per cent. a year between 2011 and 2014 for the public sector as a whole…the scale of the challenge is magnified further by rising demand for health services with an ageing population and a higher incidence of chronic disease. Recent falls in NHS productivity are also a concern. Productivity must rise significantly if the NHS is to sustain and improve performance."

David Nicholson, the NHS chief executive, put it even more starkly last week when addressing senior NHS managers. He told them to plan for spending cuts even more drastic than those already suggested. He says that NHS trusts will have to deliver between £15 billion and £20 billion-worth of financial savings over the three years from 2011 to 2014. Such cuts will be the equivalent of up to 6 per cent. of the current NHS budget. That is of very real concern to my constituents and myself. The most serious constituency campaign that I have had to wage during my time as a Member of Parliament in North Oxfordshire is to keep the Horton hospital a general hospital, to maintain all key services at the Horton and to ensure that we continue to have 24/7 maternity and children's services.

I put the King's Fund points to the then Health Secretary, the right hon. Member for Kingston upon Hull, West and Hessle (Alan Johnson), on 12 May. I asked:

"The King's Fund advises that the poor state of the public finances means that the NHS must prepare, at best, for very low or zero growth in funding from 2011 onwards. I would like to know what the Secretary of State is doing to advise strategic health authorities that they must now start planning for zero or very low growth within the NHS from 2011 onwards".

The answer from the right hon. Gentleman, who some say may be the next Prime Minister, was one of complete denial. He said:

"What we have done since the allocations that took place last December—it was a two-year allocation of 5.5 per cent. each year and included the ability to draw down £800 million of surplus—is

to say that there is a message here. It comes from the chief executive of the NHS as well, and it is that the NHS has to prepare for a time when we will not have such spectacular increases in growth... We cannot say at this stage what the expenditure will be in the NHS but we can say that it will continue to be our absolute priority. As the Prime Minister told the Royal College of Nursing yesterday, we hope very much to ensure that there are real-terms increases over the coming years, although they may not be at the same levels as in the past." [*Official Report*, 12 May 2009; Vol. 492, c. 678.]

One wonders what sort of planet the right hon. Gentleman is on. I cannot believe that the Secretary of State for Health had not at least read the research from the King's Fund. I am sure that the Secretary of State must have been talking to the chief executive of the NHS. It is depressing that when everyone is talking about more honesty from politicians, there seems to be collective denial from Ministers because at best this is waffle and, at worst and in reality, it is a collective denial by the Prime Minister and Ministers to face up to the facts.

According to the Government's own figures, public spending in 2011 will see only a 0.7 per cent. increase. We have to start talking now in an adult and responsible way about how we can deliver more with less. We need some basic honesty, otherwise we know from experience what happens. We get a Treasury-led salami-slice approach to departmental budgets. Every Department regardless is told that they will simply have a smaller budget. We have been there before. All that happens is that it tends to harm front-line services as managers and mandarins push the pain away from them to those who are delivering services.

There are a number of ways in which we can make some easy savings. We certainly do not need to waste billions of pounds on ID cards. We need a sensible and grown-up debate on defence. We need to ask, importantly, how our public services can be made more efficient. Recent figures from the Office for National Statistics show that productivity levels across the public sector have fallen over the past 10 years. A cause for concern is that average public sector output in 2007 was 3.2 per cent. lower than in 1998. We have had increases in public spending but falling productivity from the public sector.

I have a simple plea. I suspect that, whoever wins the next general election, the next Parliament will be the hardest, toughest, most difficult and grimmest that any of us have lived through, but may we please have an honest and grown-up debate about how our public services do more with less, and may we please have an honest and grown-up debate about what the real figures are? Please can we cease this insane and mindless denial by the Prime Minister that what the Government have said in their Budget is the reality and the truth? If we can all acknowledge that, perhaps the public policy will be all the better for it. Otherwise all that will happen is that the country will waste a year between now and the general election. That is not in the country's interest and it is certainly not in the interests of our constituents.

1.38 pm

Mr. David Anderson (Blaydon) (Lab): I will speak on three areas: supporting the good work that is going on in the economy, stopping some failures in the economy, and suggesting something that should be positive for the banking system.

In the north-east we have had good support over the last few years from the regional development agency—something I understand that the Tory party would do away with. If that is the case, and if the Tories were to get into power at any time in the future, that would be bad news for the north-east. The north-east, with One NorthEast working for it, has been successful in supporting manufacturing industry. We have set up the manufacturing advisory service, which has worked closely with north-east business. Some of the examples of successful interventions include support to a Tyneside brush manufacturer that reduced its energy bills by 35 per cent., and productivity improvements of almost £1 million at a Northumberland electronics company. A Teesside chemical company has saved £360,000 per annum by reducing equipment downtime following advice from the MAS. MAS North East Energy alone has assisted 240 companies, helping them to save £3.7 million in the past two years by giving them advice on how to eliminate waste, and guidance on energy costs. Overall, its work has helped to cut CO_2 emissions by more than 25,000 tonnes in the last two years.

We are developing a range of new industries in the north-east, and we need the support of the regional development agency to keep that going, by taking both the opportunities given by carbon capture and storage and the chance to have a large offshore wind system; that is there for the taking, if we are prepared to go for it. To help in that, One NorthEast has set up the New and Renewable Energy Centre in Blyth in Northumberland, which has given support for those taking these measures forward. Ultra low carbon vehicles are also being developed; electric vehicles are being produced by Nissan. Companies in my constituency such as Tegrel and Romag in Consett are delivering charging canopies that will use photovoltaic cells so that cars can be charged in areas such as public car parks. That is a positive step for the future; this could be a huge development for this country, and it is being led and supported by One NorthEast.

We are also leading the way in plastic electronics, industrial biotechnology, and health care. In particular, One NorthEast has given support to the Centre for Life in Newcastle; I am the chair of the all-party group on muscular dystrophy, and I have been involved in work on neuro-muscular diseases at the centre, which is leading the world on that. I hope that, regardless of what happens at the next election, the RDAs will carry on supporting businesses in the north-east and throughout the country.

I now want to talk about a policy that has been a total failure for this country ever since it was first announced in the early 1990s: the private finance initiative. It has let this country down. I agree that we have delivered projects: we have built new schools and hospitals—but at what cost? According to a recent report, the cost at present is that we have had £64 billion-worth of PFI projects built, but we owe £217 billion-worth of repayments between now and 2033-34. Therefore, we will pay in almost four times the value of what we have got out: for every brick we have laid, we are paying for four; for every pound of value we have got, we have given £4, which does not sound like a good deal to me now. It did not sound like a good deal in 1992, and it certainly has not proved to be a good deal.

We saw that with the failure of the public-private initiative for the tube: when Metronet went bust, it walked away. The whole point of PFI was supposed to

[Mr. David Anderson]

be that the private sector would take the risk, but when the risk is called in, the private sector walks away. It left the people of London with a bill of £410 million for the failure of the private sector. The private sector was not prepared to stand up for this risk, and PFI certainly has not been value for money.

I hope that my Government will take forward the development of the post bank, and that that will be supported across the House. Less than two years ago, if anyone in this House or anywhere else had suggested that we would have nationalised banks in this country, they would have been laughed out of court. The perceived wisdom was that if we nationalise a bank, money will flee away. The truth that has been shown over the past two years is that, rather than fleeing away, the people with money want to be involved in and supported by the nationalised banks.

The basis for a post bank is therefore already in place, and I draw the Minister's attention to the report produced by the coalition for a post bank. That coalition has brought together the Federation of Small Businesses, the Communication Workers Union and the Unite trade union, the New Economics Foundation and the Public Interest Research Centre. They believe that a post bank could be built on the post office network and that it could incorporate the following principles. It would safeguard the unique and popular post office network, which we should all be committed to. It would be a key player in addressing financial exclusion. It would build in a universal banking obligation. It would also give real support to small and medium-sized enterprises.

The idea of a post bank is not new. Such banks exist all over Europe. In France, La Poste set up such a bank in January 2006. Since then it has built up 11 million accounts, and accounts for one quarter of La Poste's turnover. In Italy, BancoPosta was set up in 2000; for the first time in half a century, the Italian post office came into profit in 2002 as a direct result. In Germany, although there have been problems with Deutsche Post, its bank has 14.5 million customers, making it the largest retail bank in the country. There is, therefore, a model that we can take up and adapt.

The conclusion of the report that I mentioned is clear. It states:

"There is both a need and an appetite for transformative change in our economic and banking institutions. A Post Bank based on the Post Office network will provide a solid, trusted basis for new banking, new investment and the revival of local economies.

The Post Bank must be dramatically different from the failed commercial banking model. It must signify a departure from profit-driven, speculative banking practice and a return to locally based, sound financing. It must be inclusive, reaching out to other social and financial organisations concerned with the economic health of their communities. It must be a banking system for all the people.

A successful Post Bank would offer real, long-term financial security to individuals and businesses and provide a vital role for the Post Office commensurate with the high esteem in which it continues to be held by the British people."

Those are sound reasons for doing this now, and I suggest to the Minister that we should turn our hand to it. It would be a start towards that if the Government were to consider withdrawing or amending the Postal Services Bill. They should work with the unions and others who have put forward alternative plans and develop the Post Office into the modern 21st century organisation that it should be, and Royal Mail along with it.

There are issues to do with the pensions of the workers at the Post Office and Royal Mail, but there are precedents here. In 1994, when the mines were privatised, the Department of Trade and Industry took on the role of the former National Coal Board. I accept that that was a different situation and the mineworkers pension scheme was in surplus, but what was different then was that nobody contributed to the mineworkers pension scheme going forward. In the current situation, we could develop the Royal Mail pension scheme with the Department for Business, Enterprise and Regulatory Reform—or the Department for Business, Innovation and Skills, or whatever we are calling the business Department this week—playing its part as the employer. This is worth looking at. If we are serious, we should sit down with the unions and do it, and at the same time develop the post bank.

1.47 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): May I first wish you all the best, Mr. Deputy Speaker, in the election on Monday?

Mr. Deputy Speaker (Sir Michael Lord): I am not sure that that is in order, but I am extremely grateful.

Mr. Ellwood: I was wondering how you were going to respond to that, Mr. Deputy Speaker.

I begin by sharing my concerns about how few Members are gathered here for this debate. This is one of the more important subjects for us to debate at present, but I count just one hon. Member on the Labour Benches and absolutely nobody representing the Liberal Democrats other than their Front-Bench spokesman. That is an appalling indictment, when efforts should be made to understand what is going on in the economy and to try to provide the answers that the nation wants to hear.

Tony Baldry: Is it not particularly tragic that the only Labour Back-Bench present has made a speech critical of Labour Front-Bench policies? It is pretty pathetic that the Government Whips cannot get at least one Member from their party to give a speech in support of the Government's economic policy.

Mr. Ellwood: My hon. Friend makes an important point. It is perhaps because the Government cannot get support on their own Benches that this debate has been tabled for the fag-end of the parliamentary week when many Members have dispersed to their constituencies. This debate should be held in prime parliamentary time and be given a full day's hearing, so that all Members can represent their constituencies and voice their concerns. Instead, the Chamber is almost empty; we could, in fact, hold this discussion in a taxi cab. That is an embarrassment, and I am dismayed that so few Members are present. That does not take away from the quality of the speeches made, however, which I am sure will make up for the lack of numbers.

We are living in extraordinary times. We have just had some astonishing local election results, which left this dilapidated Labour party representing not one single county. We had EU elections in which the governing party scored only 15 per cent.—a score Labour last saw under Michael Foot. We have also witnessed 11 Ministers resign from the Government, and, as my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) teased out in the recent debate on Europe, even the Foreign Secretary considered resigning. I do not know why he felt the need to tell everyone he had considered resigning, and I am not sure how helpful that was to the Prime Minister; the Foreign Secretary must answer that for himself.

We should bear in mind the fact that the backdrop to all this is one of the worst economic downturns we have ever seen, and it is understandable that the nation is losing its patience with the Government. There is an increasing need for a general election to be called, rather than having a Government limping on towards the final date—the endgame—next May.

It is sad that we cannot muster many Members to come here to debate properly issues such as the obscene sums that the Government are throwing in such a reckless way at the economy. Their approach will encumber every newborn child with a debt to the tune of £22,500. The reason the Government are able to cling on and the Prime Minister has not been ousted is that his weakness is overshadowed only by the weakness of those who tried to oust him. Again and again we hear the call, which I am sure the Minister will repeat, that this is a global economic downturn, so many of the problems are not vested in Britain. It is a global economic downturn, but each country is having to manage the effects in different ways, and the cause of that is the rules and regulations that are or are not in place in each country.

What happened when this Government came to power? They made the Bank of England independent, and straight away the Bank lost crucial powers to regulate the banks. That was the first schoolboy error made by this Government, and it led to the level of borrowing getting out of control; banks were lending people sums that they could not afford, in ways that they did not understand. We hear again and again from the Prime Minister that the situation in the United States is to blame for the downturn in our economy. Perhaps some aspects of the situation there can be blamed—what happened to Fannie Mae, Freddie Mac and the sub-prime market—but it was not the Americans who were allowing Bradford & Bingley to offer 125 per cent. mortgages. That was very much a British issue, which happened under the tutelage of this Government. It went unrectified, and that is why we have the current levels of debt.

The Government then say that they have the answers and that other countries are copying them. Perhaps the hon. Member for Twickenham (Dr. Cable), who speaks for the Lib Dems, will wish to expand on that. The coupon rate at which we lent to our banks was about 12 per cent. How can the Government, the lender of last resort, possibly expect to lend money to banks in that way and then expect those banks to pass the lending on to small and medium-sized businesses at the going rate of about 1 or 2 per cent? Banks will not do that, which is why small and medium-sized businesses up and down the country are suffering because they cannot get the loans they need to see them through this very difficult period.

Another Government initiative was to reduce VAT to 15 per cent. at a time when businesses up and down the country were slicing the cost of their products—the discounts were already 10 or 15 per cent. How was 2.5 per cent. off VAT going to help? That was a gimmick, but it is not over yet, because VAT will go back up to 17.5 per cent. Guess on which day that is due to happen? VAT will go back up when Big Ben chimes midnight on 31 December. The industry that I represent as a Front Bencher—the tourism industry—is up in arms, because that is one of its busiest days. Businesses will have to run two tills that evening; they will run one up to midnight and another from midnight onwards.

Ian Pearson *indicated dissent.*

Mr. Ellwood: The Minister is shaking his head. Well, some concessions have been made and those businesses have been given a couple of hours to adjust, but why on earth was that date chosen in the first place? That decision was madness, and it shows that the Government were not in touch with the very people they were trying to help.

My next concern is the top rate of income tax. The Institute for Fiscal Studies has said that the increase will gain "approximately nothing" in revenue. The increase was a gimmick designed to appease Labour Back Benchers—those very Members who are absent today. I was interested to hear my hon. Friend the Member for Banbury (Tony Baldry) discuss the increasing growth of Jobcentre Plus; it seems that the only place where people can get a job now is working for Jobcentre Plus, because it has grown to be one of the biggest employers for the Government. Unemployment is growing—it is currently 2.3 million and the CBI expects the number of unemployed to grow to up to 3 million. That is happening simply because we did not make arrangements to contain the scale of the economic downturn in time.

In the remaining minutes available to me, I wish to discuss tourism, the portfolio that I follow. I am pleased that my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke), whose constituency includes the wonderful little village of Aldbury, where I used to live, is on the Front Bench to listen to this, because it is important that all Members, on both sides of the House, understand the relevance and importance of tourism. That is glossed over in this House on a regular basis. Tourism is our fifth biggest industry: it is worth £90 billion, 200,000 small and medium-sized businesses make up our magnificent tourism industry, and one in four new jobs is created by tourism. Yet it could be argued that tourism does well in this country in spite of the Government, not because of them. It is faring better than expected in this downturn; ironically, because people do not have money in their pockets thanks to this Government, they are forced to consider a domestic holiday, rather than go abroad. That is not an excuse for the Government to say that they are pleased with the tourism figures, because that is not how the tourism industry would have liked its figures to grow.

What this Government have done over a 10-year period is allow the infrastructure designed to support the tourism industry to get out of control. The hon. Member for Blaydon (Mr. Anderson) spoke passionately about the importance of the regional development agencies, but they have created a confusing, overlapping and costly system that has wrecked our tourism industry. One or

[Mr. Ellwood]

two RDAs have done well to promote tourism—the north-west's RDA is one example, but that is because it does not hold on to that money centrally. Nobody has heard of the north-west's RDA or the north-east's RDA, but they have heard of Blackpool and Newcastle. Those are the brand names that need to be promoted, rather than the RDA names, which have taken all the money.

Mr. David Anderson: The reality in the north-east is that because of the work that has been done by the RDA, including the development of a campaign called "Passionate people. Passionate places.", the north-east has the highest growth in tourism of anywhere in the country.

Mr. Ellwood: I hope that tourism is growing by more in the north-east than anywhere else, because it gets seven times the amount of money that the south-west does, even though its tourism industry is seven times smaller; the irony there is that the money has not gone to where the tourism industries should actually be. The problem is not only in the distribution of funds, but in an overlapping of effort. It cannot be right that in Singapore there are five different offices representing and promoting tourism in different parts of the United Kingdom. That has come about simply because there is not one voice looking after English tourism, and we need to get back to that. The Conservative policy is to ensure that in this economic downturn we spend the money apportioned to tourism better, which means having a stronger voice for Visit England and a less powerful voice for the RDAs, but a stronger voice for the brand names of the areas that we actually know and love.

We should not forget that this country is the sixth most visited place in the world, which is amazing given that the whole of the UK could be fitted into one of the great lakes in Canada. Yet, as I have said, the Government do not recognise the potential for growing this business. That is reflected in what is called the "tourism deficit": in 1997, the amount of money that Britons spent abroad taken away from the amount of money that overseas visitors spent in the UK gave a figure of minus £4 billion. We were spending far more money abroad than we are able to bring in, and that figure has jumped to minus £18 billion. That is how much we are losing, whereas countries such as France or Spain have a surplus, and are making money because they are able to attract people in. That is not just to do with the weather; it is to do with other aspects too.

Let us consider the UK's proportion of global tourism. In 1997 we had 6.9 per cent. of the international market, but the figure has dropped to 3.3 per cent. Those figures must be reversed if we are to get a grip on our tourism industry and what we can offer. We should celebrate our offering, because this country has things that cannot be replicated in new tourism industries in other places. Dubai and Thailand are great places to visit, but Oxford is Oxford and Brighton is Brighton. The culture offered in Britain is unique, but we need to sell it too. Another irony is that the Department for Culture, Media and Sport is one of the few Departments that could make money for the Exchequer were the Exchequer to invest in it; for every £1 spent abroad, we bring £25 back. Does the Exchequer recognise this? I do not think so, because it has cut Visit Britain's budget by 20 per cent. over the next three years.

We have a once-in-a-lifetime opportunity with the Olympic games coming here. It will be a fantastic chance to celebrate what is good in Britain, beamed to television sets with billions of watchers around the world. Not a single penny has been made available to harness that opportunity, and that is a scandal.

The Treasury has removed tax relief on second home lets. What conversations did the Minister have with the DCMS about that? It will affect the tourism industry, because fewer people will be able to afford to let out their homes for tourism purposes.

We have also seen a legal battle over VAT levels on bingo. Hon. Members who are familiar with the bingo scene will recognise that the industry has been hit by two taxes—VAT and gross profits tax. Gala Coral took the Government to court and won its case that the VAT imposition was unfair, because it was being hit twice. The Government have responded by getting rid of the VAT but increasing the gross profits tax from 15 per cent. to 22 per cent. Did the Treasury consult the DCMS on that? According to answers to parliamentary questions that I have received, no consultation took place. The consequences are not just monetary. Yes, the Exchequer will lose out because bingo halls will close, but bingo is part of our community. For many of the dear old ladies who play bingo, it is their one evening out in the week. It is as much a part of the community as the post office or the pub, and the Government seem unaware of the impact that this taxation will have on the community.

I mentioned pubs, and we have also seen an increase in alcohol duties, part of a grand sweep of hikes in taxation with no recognition of the impact on the normal responsible drinker. Instead of targeting certain types of alcohol, the Government have put a burden on all pubs, and that is why some 40 pubs shut every week. That is changing the fabric of our communities, especially rural communities, where pubs can be one of the main tourist attractions.

I urge the Minister to think beyond the numbers, the bean counters and the abacuses over which they toil, and recognise the wonders and the importance of our tourism industry. All these tweaks in VAT and taxation have a knock-on impact on things that are very important to us and have been around for such a long time, and it is destroying some of them. I am passionate about tourism. I hope that I have expressed that today, and I hope that that has come across to the Minister.

2.3 pm

Dr. Vincent Cable (Twickenham) (LD): I wish to touch on three of the themes that have emerged from our discussion—the general state of the economy, about which the Minister spoke; the budget deficit, on which the hon. Member for Banbury (Tony Baldry) focused; and the state of bank lending, on which the hon. Members for Blaydon (Mr. Anderson) and for Bournemouth, East (Mr. Ellwood) touched in different ways.

The Minister is right to say that the mood on the economy has changed, certainly compared with three months ago. We are no longer talking in terms of Armageddon and a return to the 1930s. There has been

a change of mood and greater optimism. On the objective evidence, it is clear that the economy is falling less rapidly than it was, although we probably cannot say any more than that. It is not surprising because the authorities—here, in the US and in other countries—have thrown the kitchen sink at the economy. We have had drastic cuts in interest rates, the creation of money, big fiscal deficits and, in the case of the UK, a massive devaluation. It would be amazing if all that had not had an impact.

I am more sceptical about where all this will lead. There are big areas of uncertainty. For example, unemployment is still rising, both in aggregate and among particular groups. This week we saw a big increase in the number of young people not in education, employment or training, and in two months a big graduate cohort will come on to the labour market, many of whom will not find work. The effect of rising unemployment is also significant in terms of confidence.

Nor do we know what will happen when the Bank of England withdraws the monetary steroids that are keeping the economy going at the moment. The Governor, in his speech yesterday—in one of his quieter passages—pointed out that next year, in order to prevent an excessive flow of liquidity into the economy and the danger of inflation, he will cut off the increased liquidity injection. We do know how that will affect growth. The Minister said he is confident in the medium term, and I hope that he is right, but we have to ask where that confidence comes from. Households and businesses are de-leveraging frantically and the Government will have to rein back their spending, so at this stage it is difficult to anticipate where the injection of growth will come from.

The hon. Member for Banbury spoke about the deficit. He is right to say that there is a serious problem. Government tax receipts are now 35 per cent. of GDP—lower than at any stage since the days of Harold Macmillan. We are in a low-tax economy—not by design but because of the collapse of revenue from the financial services sector and housing—and expenditure is some 48 per cent. of GDP, so we have a 12 to 13 per cent. gap that has to be borrowed, and that is clearly not sustainable. The Government have a problem with timing—I sympathise with them on this point—because it would be foolish to try to contract the deficit suddenly in the middle of a recession, but it will have to happen. Severe budget discipline will be needed, and it would be helpful to start from a platform of honesty about that. It is clear from the Government's own plans that current spending is being cut according to any meaningful measure, and anecdotes from local hospitals and other sources suggest that the cuts process has already started.

In addition, a very deep cut is planned in public investment—a halving from its peak. I introduced a debate on that point on 2 February, because it is a big problem. The Minister referred to the need for infrastructure investment, but it is difficult to see how that will be financed, given the scale of the cuts required. I agree with the hon. Member for Banbury that in this discussion of public finances, it would be helpful to get beyond broad aggregates about expenditure limits and get down to the particular programmes that we will have to talk about cutting. We have tried to inject into that debate discussion not only about the defence budget, as the hon. Gentleman suggested, but about tax credits—which may be good in principle, but have become over-extended—public sector pensions and many other items. We will need a mature and grown-up debate on those, in which this House should participate. Sadly, for constitutional reasons going back a century or more, we do not have the powers that we perhaps should have.

There is also clearly a serious problem still with the banking sector. Many solvent, successful businesses with good order books and a good credit history cannot get credit on decent terms. They face big arrangement fees and unreal demands for security, and this is causing them to cut back and close their doors. Many of us see that at constituency level, and the business federations also report that back to us. There is a big lending problem. Many individuals have also been excluded, which enhances the relevance of the post bank proposal put by the hon. Member for Blaydon.

In addition to the lending constraints, the Government have bottled the big issue of banks that are too big to fail. As the Governor of the Bank of England pointed out yesterday, that whole concept is outrageous. If banks are too big to fail, they are too big, and the Government will have to take the initiative to break them up or find some effective way of regulating them so that the taxpayer is not taking on excessive levels of risk.

The Governor also said that we need to address the whole climate of irresponsible risk taking in the City and the banking sector, which still has not been properly confronted. We have seen a premature return to the culture of bonuses, although we have seen some limited restraint in the semi-nationalised banks. However, the Government still have not put in place a framework for dealing with that issue systematically.

2.9 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is a pleasure to speak in this afternoon's debate. It would be fair to say that it is not particularly well attended, but I thank those hon. Members who have taken part, particularly my hon. Friend the Member for Bournemouth, East (Mr. Ellwood). He is a passionate advocate for the cause of tourism in this country, and I thank him for mentioning the glorious village of Aldbury in my constituency, which he knows well. I also want to thank my hon. Friend the Member for Banbury (Tony Baldry) for his excellent speech on the public finances, and that is the issue on which I want to focus.

When we consider the future of Britain's economy, the central fact is that we have run out of money. We are borrowing record amounts. For every £4 spent by the Government, £1 is borrowed. We are borrowing more in the next two years than in aggregate over the country's entire history, with debt likely to double—if it does not grow by even more. The 40 per cent. sustainable investment target—that is, the target that debt should not be more than 40 per cent. of GDP—is well and truly broken and is not likely to be met until 2032. We are borrowing more than any other country in the world.

The central question for the Government is whether they have a coherent plan to get us out of this mess. We know that the Government have optimistic growth forecasts, particularly from 2011 onwards. We know that there will be unspecified fiscal tightening after 2014 of £45 billion. We know that spending restraint will be delayed until after the general election, but we also know from the Government's figures that cuts are already planned in public spending between 2011 and 2014. That is the

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topical issue of the day, but the Prime Minister is characterising the facts in a somewhat different way. Only yesterday, he said that we never hear any figures from the Conservatives. Let me attempt to address that in the short time that I have available this afternoon.

In Prime Minister's questions last week, on 10 June, the Prime Minister listed cash spending in the years beginning 2010-11: £702 billion, £717 billion, £738 billion and £758 billion. He claimed that that showed more spending from Labour. However, if we take out inflation we have the following numbers: £702 billion, £699 billion, £701 billion and £701 billion. If we take out debt interest and benefits—I am using the numbers prepared by the Institute for Fiscal Studies, which give us the real departmental spending—the numbers are £391 billion, £382 billion, £373 billion and £362 billion. That is a cut of 2.3 per cent. per year or 7 per cent. over three years. If health is protected, as we intend it to be, the percentage would go up for the remaining Departments to a fall of 3.3 per cent. a year, or 10 per cent. over three years. Let us be clear: these are the Government's own numbers.

The Prime Minister had another crack at defending his position yesterday. He read out the numbers for current spending: £629 billion, £633 billion, £638 billion and £642 billion. However, if we deduct debt interest and benefits the departmental spending will fall from £344 billion to £341 billion, to £337 billion and to £332 billion. That is a cut of 1 per cent. per annum or 3 per cent. over three years according to the Prime Minister's own chosen measure of current spending.

Let us look at capital spending. The hon. Member for Twickenham (Dr. Cable) was quite right to highlight that matter. Again, the Prime Minister stated yesterday:

"Capital expenditure will grow until the year of the Olympics. After that, it will be less". [*Official Report*, 17 June 2009; Vol. 494, c. 295.]

The facts are very straightforward. Page 226 of the Red Book lists net investment in table C4. The figure for this year, 2009-10, is £44 billion, which then falls to £36 billion, £29 billion, £26 billion and finally £22 billion in 2013-14. There are two points to make about that. First, that is clearly a significant cut and it is a year-on-year cut. There is nothing about an increase until the year of the Olympics, 2012; there is a cut every year. Secondly, why highlight the year of the Olympics as if everything is explained by capital expenditure on the Olympics and as if that is no longer a relevant factor after 2012? Average capital expenditure on the Olympics is just over £1 billion a year, and that is clearly barely relevant to a reduction of £22 billion in capital spending.

What have Cabinet Ministers said, notwithstanding those facts? The Secretary of State for Wales told the BBC's "Question Time" last week that

"up until 2014 there will be real term increases in Government spending Departments."

The Secretary of State for Health told Channel 4 news on 11 June:

"I am also committing to you, in the way that the Prime Minister has, that we will continue to maintain growth in health spending in the following period".

The Secretary of State for Children, Schools and Families—a noted economist—told Radio 5 Live:

"I think we can see the spending on schools and hospitals rising in real terms after 2011".

The facts are very clear. I have outlined the numbers and the facts to the House this afternoon.

The Prime Minister has put his Ministers in an impossible position in the launch of his election campaign—assuming, of course, that he makes it to the election—by stating that it will be about Labour investment versus Conservative cuts. Never before has a campaign unravelled quite so comprehensively even before the election has been called. Columnists and observers from *The Guardian* and from every news organisation have lined up to describe the Government's position as silly, infantile and dishonest.

It is difficult for me to characterise the nature of the Prime Minister's position within the confines of the conventions of this House, but the Prime Minister must think that the British people are stupid if he thinks they will believe his claim that it will be Labour investment versus Conservative cuts. The facts point in a very different direction. Not one single respected commentator or observer supports the Prime Minister's line that the Government will be spending more on departmental expenditure.

I think we should spare a thought for Ministers of honesty and integrity, such as the Economic Secretary, who are forced to go out to defend the Government's position. I want to ask him two questions, and I hope that he has a chance to answer them. Does he accept that the Government's budget projections involve real-term cuts in departmental expenditure from 2011 onwards, whether we look at total spending or current spending? Secondly, does he accept that capital spending will fall in each of the next four years and will not, as the Prime Minister told the House yesterday, rise until the year of the Olympics?

It is clear that the numbers point in one direction. The country's money has run out. The public finances are in a mess and, whoever is in power after the next election, there will need to be real-term spending cuts. If the numbers and the facts do not suit the rhetoric, what will the Government do? I warn them that if they attempt to adjust the numbers or if bogus growth figures suddenly appear in the comprehensive spending review, that will do nothing for their reputation. It is time for some honesty; it is time for a grown-up debate. The Prime Minister has descended into self-parody and we need a change.

2.19 pm

Ian Pearson: With the leave of the House, I shall briefly respond to the debate, although I appreciate that it is not customary for a Minister to do so in a topical debate.

We heard interesting contributions from the hon. Members for Banbury (Tony Baldry), and for Bournemouth, East (Mr. Ellwood), and from my hon. Friend the Member for Blaydon (Mr. Anderson), as well as contributions from Front Benchers, as usual. My hon. Friend the Member for Blaydon talked principally about three issues: regional development agencies, the private finance initiative and the post bank. On the latter, I know that he has been in discussions with what used to be the Department for Business, Enterprise and

Regulatory Reform and is now the Department for Business, Innovation and Skills. I would not want to say any more on that matter.

My hon. Friend made some good points about regional development agencies. I am not sure what the Conservative policy on RDAs is, but I think that it would be a huge strategic blunder to get rid of RDAs. They have been on a learning curve and, overall, they now provide effective assistance to businesses in their regions and contribute to their regional economies. He referred to One NorthEast and some of the success stories of the manufacturing advisory service. I can confirm that those success stories are not confined to the north-east, but can be found across the regions of England. He also talked impressively about the action that companies in the north-east are taking on renewable energy, plastic electronics, industrial biotechnology and electric vehicles. Those are all important areas for the UK economy for the future.

I have to say that I do not agree with my hon. Friend that the private finance initiative has let the country down. Under the private finance, many more schools and hospitals have been built than could possibly have been built using conventional financial routes. Independent investigation shows that there is good evidence suggesting that PFI projects are far more likely to be built on time and on budget than those built using conventional procurement, although the Government have made great strides to improve their record on conventional procurement.

My hon. Friend also referred to the fact that payments are made over a period of years, because the costs of running a facility are often a large part of the total whole-life costs, which are taken into consideration when we talk about the private finance initiative. If he looks back at the bad old days of conventional procurement under the Conservatives, he will see that often the attitude was, "design, build and fail to maintain." There was a scandalous record of failing to maintain the fabric of our infrastructure, and private finance has addressed that issue.

Mr. Ellwood *rose—*

Ian Pearson: If the hon. Gentleman will allow me, I will not give way to him. I want briefly to respond to the debate; as I say, it is not normal to do so. I want to come on to the points that he raised, and those made by the hon. Member for Banbury.

The hon. Member for Bournemouth, East, spoke with great passion about tourism. I acknowledge the importance of tourism to the UK economy. I do not particularly want to get into the issues of pubs and bingo today, as they are perhaps not central to preparing Britain's economy for the future, but he is certainly correct to point to the fact that tourism is a significant part of the UK economy. It is an important part of Britain's economic future, too.

The hon. Gentleman referred—I think I quote him correctly—to the Government throwing "obscene sums" at the economy. I have to disagree. The hon. Member for Twickenham (Dr. Cable) talked about us throwing the kitchen sink at the economy. It is quite good that we did so. We needed to take action to stabilise the banking system. It is right, in the Government's opinion, that there should be a fiscal stimulus to support the UK economy. Frankly, it would have been irresponsible for a Government not to have thrown the kitchen sink at the problem.

As the hon. Member for Banbury suggests, however, we know that public spending cannot grow in the way that it has since 1997. I am enormously proud of the public investment made since 1997; we have largely rebuilt Britain's infrastructure. The hospital system and general practitioner practices across the country are in a far better state than they were when we came to power. Schools have been rebuilt. Each and every Member can point to new schools in their constituency that were built in the past 10 or 12 years, sometimes with private finance and sometimes through conventional public procurement. That is clear, important investment in the fabric of the country for the future.

With regard to spending figures—a point raised by the hon. Member for South-West Hertfordshire (Mr. Gauke)—we can trade different sets of figures, but he will be aware that public sector current expenditure is planned to rise by 6.8 per cent. this year, and by 4.4 per cent. in 2010-11. We believe that it is important to invest during these difficult economic times, but we have also said that we need to take a responsible attitude to the public finances in the medium term. That is why, in the Budget, we published figures showing a real-terms increase in public-sector current expenditure of 0.7 per cent. per year from 2011 onwards. The hon. Gentleman pointed out that we should take into account debt interest charges and welfare bills. I do not know what welfare bills or public debt charges will be between 2011 and 2014. We live in a time of great uncertainty. Given that uncertainty in the world economy, it is too early to say how those factors will pan out, and so much too early to say how the growth in public spending will be shared, especially as we are only one year into the current comprehensive spending review.

Mr. Gauke *rose—*

Ian Pearson: I will give way, and then I will conclude.

Mr. Gauke: I am grateful to the Minister for giving way. I note his comment that he does not know what interest payments or welfare bills will be, but presumably the Treasury has made its own projections, as the Institute for Fiscal Studies has done. Will he agree to release publicly the Treasury projections showing what it anticipates welfare bills and interest payments will be in the years 2011 to 2014?

Ian Pearson: We will make information available in the normal way, as we always do. I hope that he agrees with my point: it simply is not possible to know, and to forecast with any great precision, what welfare bills or debt charges are likely to be in the years 2011 to 2014. Given that uncertainty, it would be wrong to say how they would pan out, and wrong to speculate about the overall balance.

We have to get back to the fundamental argument, which is that the Government have invested massively in our public services. We are continuing to provide a fiscal stimulus this year and next year because we believe that it is important to help the economy through difficult economic times. On all assumptions, the Conservative party wants to spend less now. It wants to spend less in

[Ian Pearson]

the future than the Labour Government—that is a dividing line. It is important to recognise that the Conservative party would spend less on services than a Labour Government, and that will be an issue when it comes to the general election.

Question put and agreed to.

Resolved,

That this House has considered the matter of preparing Britain's economy for the future.

Food, Farming and the Environment

2.29 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I beg to move,

That this House has considered the matter of food, farming and the environment.

May I begin by giving a warm welcome to the Minister of State, Department for Environment, Food and Rural Affairs, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), who has joined the DEFRA team and to, in his absence, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Wansdyke (Dan Norris)? I also pay tribute to the enormous amount of work done by my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy) and Lord Hunt of Kings Heath. They did a terrific job and we will miss them both. I apologise to you, Mr. Deputy Speaker, to the hon. Member for Arundel and South Downs (Nick Herbert) and to the House if I am not able to be present for the wind-ups because of responsibilities relating to the oral statement that I made earlier.

I would like to update the House on the difficulties faced by the employees and farmer members of Dairy Farmers of Britain. As I told the House last week, that dairy co-operative, with 1,700 employees and 1,800 dairy farmer members, was put into receivership on 3 June. Since then, the receiver has found it necessary to close three dairies and 17 depots, but he has been able to sell two creameries and five depots, saving about 650 jobs.

I am able to inform the House that, as of yesterday, of the 1,800 farmer members on 3 June, about 1,600 had found alternative buyers for their milk, which represents about 96 per cent. of the 1 billion litres of milk that were being supplied by Dairy Farmers of Britain at the beginning of June. That is a major achievement in such a short time, so I pay tribute to the hard work of the receiver, the member council, the employees at Dairy Farmers of Britain's headquarters, and the rest of the industry who have stepped in to buy the milk. However, about 190 farmers are supplying their milk to the receiver at the end of this first fortnight. They are scattered around England and Wales, but the majority are in the north-east and the north-west. The job now is for all of us to find buyers for the milk produced by those remaining farmers. Although I am optimistic that buyers will be found for more farmers, we must recognise that some might not be able to find a commercially viable outlet for their milk.

Mr. Michael Jack (Fylde) (Con): I—like others, I am sure—have been moved by some of the interviews on "Farming Today", especially those with small-scale milk producers in remote rural locations. The Secretary of State said that "all of us" needed to work hard to find other outlets. Will he tell us who, apart from the receiver, the rest of "all" are? Does he have specific measures in mind to assist farmers in remote locations?

Hilary Benn: "All of us" includes the other milk buyers, the regional development agencies and DEFRA. Last week, in conjunction with One NorthEast, DEFRA took the step of offering finance to try to provide a little time to determine whether a management buy-out of

the Blaydon plant could be achieved. Sadly, the possible source of finance did not materialise the following day, and at that point the receiver decided he would have to close the plant.

Mr. David Anderson (Blaydon) (Lab): I thank the Secretary of State for his intervention last week on behalf of the Blaydon dairy in my constituency. I am worried that some of the work force believe that one reason the finance package did not hold together was that it would take four weeks to set up a bank account. Was my right hon. Friend aware of that and, if not, will he try to find out about the situation for me?

Hilary Benn: I shall do my best to get hold of further information. In the end, if a management buy-out is to be successful, finance is required. I thought that it was right to try to buy a little time—that was why I took the decision with One NorthEast—and I am sorry that that has not proved possible.

I was glad that the right hon. Member for Fylde (Mr. Jack) asked his question. We will determine whether we can provide any assistance by using the rural development programme for England flexibly, but I assure him that we continue to work closely with RDAs and others, including the Dairy Farmers of Britain member council, which continues to take responsibility for those affected by the collapse. I will, of course, keep the House informed about developments.

Despite such difficulties and other pressures, agriculture overall is pretty strong. When the Office for National Statistics published figures earlier this year showing that every sector of the UK economy had shrunk over the previous quarter, there was one exception: agriculture. As the House will be aware, the food and drink industry is the UK's largest manufacturing sector, although it is not always recognised and understood as such. It employs more than 3.5 million people. In the EU, we are part of the world's biggest agricultural exporter. The UK alone exported £12 billion-worth of food and drink in 2007, and farming incomes rose last year. I want—indeed, the whole House wants—a thriving farming industry. Farmers want that, too, but the sector faces some very big challenges and we have to be honest about them.

Food security hit the headlines last year, as soaring prices abroad caused unrest and put pressure on family budgets here at home, and, although prices may have fallen back again, the events of 2008 served as a warning to us all. The question is, how should we react in those circumstances? We should not, I would argue, aim for self-sufficiency, create targets for food production or go back to the subsidies, intervention and environmental degradation of the past. We need to take food security seriously, however, and that is why we will publish an assessment of our food security, setting out how we are doing, and why the UK's best way forward will be not only to produce its own food, but to trade with others.

As I have said, I want British agriculture to be able to produce as much food as possible, and, as I told the Oxford farming conference, no ifs no buts. The only requirements are that, first, consumers want to buy the food and, secondly, the way in which it is produced sustains our environment and safeguards our landscape.

Mr. James Paice (South-East Cambridgeshire) (Con): I would not want, in any way, to suggest that I do not accept the Secretary of State's sincerity on British agriculture. However, does he think that it is helped by the fact that his own Department's website still publishes the 2005 document on its vision for agriculture? It clearly states that domestic food production is not necessary, as he well knows, because I have chided him on it before, and, in a number of places, the document says that that is the Government's policy. It does not go along with what he is telling the House.

Hilary Benn: The document was indeed published in 2005, and it says what it says, but the hon. Gentleman will also have heard very clearly what I have just said to the House and what I have said previously.

Mr. Paice: Why is it on the website?

Hilary Benn: A document once published is a fact, and it cannot be un-published. It is important that we do produce as much food as possible, and one great challenge that we will face in seeking to do so is climate change. As we discussed during my earlier oral statement, increased temperatures and changing rainfall patterns will affect yield and increase the risk of pests and diseases, so farmers will be among the first businesses to feel the impact of climate change. Indeed, when we surveyed farmers last year, from memory about half said that they had already felt its impact, and they will have a very important role to play in helping to tackle the problem.

We know that agriculture, land use change and forestry are responsible for about 7 per cent. of the UK's greenhouse gas emissions, for more than one third of methane emissions—from livestock and manure—and for more than two thirds of nitrous oxide emissions, mainly from inorganic fertilisers. So, bluntly, we need to change the way in which we do things, and, as we increase production to meet demand today, we must ensure that we do not destroy our ability to feed ourselves tomorrow.

The issue is not about a choice between the environment or production; that is a false choice. It has to be about both: agriculture needs to be truly sustainable. Farmers know all about sustainability, because they are, after all, the stewards of our land. They manage three quarters of it in England and play an absolutely vital role in preserving our landscape, our environment and the natural resources that we look after in the interest of future generations. Stewardship schemes have ensured that thousands of farmers and land managers have funding and advice to conserve wildlife and its habitats and to protect the natural environment. Some 5 million hectares are now managed under environmental stewardship schemes—that is, 54 per cent. of our agricultural land.

How do we meet these challenges? First, the industry needs skills for the future. Farming and food production are highly skilled businesses, but we know that skills are critical to profitability, to productivity and to helping farmers and food producers to respond to consumer demand. So, the initiative was taken about a month ago to call together industry representatives to discuss what needs doing, and the industry itself is going to develop an action plan on how it can meet its skills needs and on what help the Government will need to provide. The House will also recognise that we need to attract the next generation—the farmers of tomorrow—into farming. That is why we are providing a new diploma in environmental and land-based studies for 14 to 19-year-olds. It starts this September.

Mr. Philip Hollobone (Kettering) (Con): I appreciate the Secretary of State's good intent. However, there is no use in trying to reskill an industry such as dairy farming, given that the number of dairy herds has halved in the past 10 years. That represents a massive erosion of the farming skill base. Recently, I met local farmers at their office in Weekley village in my constituency of Kettering. They said that the introduction of the nitrate vulnerable zones will be the last straw; already, only two dairy herds are left in the borough of Kettering. Given all the slurry costs and gold-plating regulations that the Department for Environment, Food and Rural Affairs is introducing, there is no use in talking about reskilling—the economics of farming are going down the pan.

Hilary Benn: As the hon. Gentleman will be aware, the dairy industry has become much more productive in recent years. On NVZs, I claim no credit or responsibility for the original nitrates directive. Those in government at the time, in 1990 or 1991, will have to answer why they thought it right to agree to it. We are required to ensure that the directive is applied properly and we have carried out a consultation on NVZs. We have worked hard to get a derogation from the whole farm limit, and have made progress on that. Furthermore, we have tried to apply NVZs as flexibly as possible.

I do not accept that we have gold-plated the regulation; actually, we have gone out of our way to try to understand the pressures to which the hon. Gentleman has referred. However, we are talking about European legislation, which we have to apply. We all bear the cost of the pollution of our water courses that results from agriculture. I remember visiting a water treatment works in Headingley run by Yorkshire Water. The company's representatives said that they had to put in kit to deal with the result of the run-off from farming. In the end, we have to pay for the consequences. If we can take steps on farms to reduce the likelihood that nitrates and other things will get into the water course, that is a good thing. However, I recognise the pressures, particularly on dairy farmers, in the current circumstances.

Mr. Alan Reid (Argyll and Bute) (LD): While we are on the subject of European directives, I should say that the directive causing great concern to sheep farmers is the one on electronic identification, which is due to come in on 1 January. I know that the Secretary of State shares hill farmers' concerns, but will he update us on what he is doing in Europe to make sure that the directive does not come in on 1 January? If it does, the hill farming of sheep will become completely impractical.

Hilary Benn: I will gladly do that. The hon. Gentleman should bear with me a little; I shall come to regulation and I will tell the House about the latest situation.

I turn back to the issue of skills. We continue to support apprenticeships in agriculture, horticulture and animal care, and about 4,500 young people enrol in them every year. We are supporting the fresh start academies, which are a really good idea. They give business skills to those who are currently farming and those who want to come into farming, and they offer mentoring to new entrants to the farming industry. The initiative is one of the most successful undertaken.

We must also work together on animal diseases. Last year, the industry and DEFRA, working extremely closely together, ran a successful campaign of vaccination against bluetongue across England. That was genuinely impressive, and I pay tribute to all the farmers who vaccinated swiftly. There was a very high take-up of the vaccine—between 80 and 90 per cent.—in the south and east of England, although the rate was not so good further north. The result was that the UK was free from circulating disease; indeed, the only examples of the disease resulted from imports.

That makes the point that farmers importing animals from parts of Europe where bluetongue is found have a responsibility to ensure that those animals do not have the disease before they are brought into the country. That joint action was cost and responsibility sharing in action. That is a better way of doing things and a model for the future. That is why we are consulting on the responsibility and cost-sharing proposals that we have produced.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Has the Secretary of the State any estimate of the percentage of stock that has been vaccinated against bluetongue in England this year?

Hilary Benn: I would need to check, and then I will write to the hon. Gentleman to give him the up-to-date figure based on the best information. The important thing about the programme that was run last year is that there was a choice between a compulsory and a voluntary programme. The industry reflected on that, and came to me and said, "Actually, you know, we'd like a voluntary programme but we'll give it all the support and encouragement that we can." I said, "Well, if that's what you want, that's exactly what we'll do." That is an example of sharing the responsibility. In the end, it is down to farmers to make that choice, but why would one not want to protect one's livestock in these circumstances when one has a vaccine that has proved to be effective?

Mr. Paice: This is a genuine inquiry; I am not trying to make any particular point. The Secretary of State knows that we supported the approach of voluntary bluetongue vaccination, which, as he rightly said, was handled pretty well last year and was a great success. However, we are now facing the future—and, anecdotally, a significant decline in the amount of animals vaccinated this year. That is a great shame but, as the right hon. Gentleman says, it is down to the industry. Scotland has gone for compulsory vaccination; that is its decision to make. As a result, however, we are facing increasing trading difficulties across the English-Scottish border. Cattle and sheep are widely traded across the border; it is an essential part of the industry. What discussions has the Secretary of State had with Richard Lochhead, or anybody else, about how we can overcome those problems and ensure that Scotland does not somehow end up with a slightly different status, thus hampering trade?

Hilary Benn: The hon. Gentleman raises an extremely important point. We have been discussing this issue with the Scottish Government. I know that the industry is very concerned about it. Indeed, if I remember rightly, we talked about it the last time I met representatives of the core group. We will have to find a way of trying to resolve it. One of the other reasons we did not go for the compulsory programme was that although with it would

have come the offer of European funding, the industry came to the view, having looked at what would be involved, the time it would take, the bureaucracy and so on, that it was not as attractive a proposition as it might first have appeared. If I may, I will come back to the hon. Gentleman on that important point, because we need to try to march in step in these circumstances.

On bovine TB, which I could not make this speech without mentioning, the whole House recognises, as I do, how extremely hard it is for farmers and their families living with this devastating disease. We now have the TB eradication group, with which we are working closely. Secondly, we have committed £20 million to the vaccine programme, and we expect an injectable badger vaccine to be ready and licensed for use in 2010. The TB eradication group has considered the six areas in which a deployment project could be started as soon as the vaccine is available.

The third thing that we have to do is get the regulation right. Sometimes there is a clear case for regulation. An example of that would be the decisions that were taken after the 2001 foot and mouth outbreak. Tough movement controls were put in place—that is a form of regulation—and lessons were learned. The benefit of those was seen in 2007 when, by applying them quickly, the outbreak that occurred was concentrated in a small part of the country and did not spread everywhere like wildfire.

Mr. Jack: The Secretary of State mentioned the trials for vaccination to deal with bovine TB. Many people would like to know when the announcement will be made on where the trials are going to take place, as 2010 is not far away. Secondly, does he yet have an answer to the question that I have now put to him twice—what will be the protocol when diseased animals are found as part of the capture process involved in enabling the vaccine to be injected?

Hilary Benn: On the right hon. Gentleman's first question, in all honesty the answer is as soon as possible. Discussion is taking place at local level, not least because for the trials to be successful we need people in the areas that have been identified to be up for taking part. I hope that he will bear with that process, because I believe that the right approach is to win support and involvement so that the trials work successfully.

On the right hon. Gentleman's second question, I repeat what I have said before about badgers with TB. As he will be well aware from his knowledge and expertise, there is a practical difficulty in attempting to identify badgers that have the disease, because there is not yet a reliable in-field test. There is provision in legislation for those responsible to take what they regard as appropriate action on badgers or any animals that are clearly very sick and on their last legs, if it is to relieve easily visible suffering. That is on the statute book and has remained there for quite some time.

If regulation is wrong, we take action. Why did we appeal against the judgment on pesticides in the Downs case? It was precisely because we thought it was right to do so. We have opposed Europe's wish to get us to agree to new controls on pesticides, because nobody can answer the question of what that would mean for the availability of particular substances. The Government have been leading in Europe on arguing that case.

The hon. Member for Argyll and Bute (Mr. Reid) made an important point about electronic identification for sheep. I have met sheep farmers from right across the country, and I know that a lot of them are very concerned about that. I am on record as saying that the costs outweigh the benefits, which is why we pushed for, and succeeded in getting, a delay in implementation and why we were able to get the slaughter derogation. It is why we are currently trying in the Standing Committee on the Food Chain and Animal Health to get agreement that recording can be done by third parties—in other words, at the market, not on the farm. That would significantly reduce the burden on farmers.

I have just written to all my fellow Agriculture Ministers in Europe to say that if we get that change, there will be a pretty strong case for saying that an electronic tag needs to be put on a sheep's ear only when it is about to leave the farm holding. That would require the European Commission to come forward with a change to regulation, and for that to happen we need other member states to come forward and support the UK and other countries such as Ireland, Hungary and one or two others that have been expressing concern about sheep EID.

That change would save farmers from having to scour the hills and tops from the date of implementation to find their sheep and attach ear tags. As we know, in any given year 10 to 15 per cent. of the tags may fall out, so they would have to be found and replaced. The change would be a practical step. It is different from third-party reporting, which can be brought in by comitology. It would require a revision to regulation, which depends on the Commission. I assure the House the I will continue to press the point, but I need support from other member states.

Lembit Öpik (Montgomeryshire) (LD): Before the Secretary of State moves on from regulation, may I ask him whether he would be willing to enter into a dialogue with the industry about fallen stock? It seems perfectly obvious to me that there has been no demonstrable improvement in animal health, or indeed human health, from the ludicrous and expensive restrictions on what farmers have to do with carcases, which are not even enforceable. It would be prudent for him at least to revisit the case for biodigesters on site and take a more relaxed view of what happens to fallen stock in the real world. He knows as well as I do that much of the time, fallen stock is not found before it has been consumed by wildlife.

Hilary Benn: I accept the hon. Gentleman's point about the facts of geography and remoteness in some of our farming communities. I will happily reflect on his point and respond to him, but it is important that we continue to take steps to prevent any spread of disease. That, of course, is what lies behind the fallen stock measures that we have in place.

Mr. Roger Williams: The Secretary of State has been generous in giving way. The fallen stock system was introduced because of the bovine spongiform encephalopathy prion. We now know that there is no BSE in sheep and that the existence of prions in the cattle population is greatly reduced. Does the right hon. Gentleman think that it is now time to examine the whole fallen stock system and ascertain whether the regulation is too burdensome and disproportionate?

Hilary Benn: I think that I shall be writing two letters as a result of the interventions by the hon. Members for Montgomeryshire (Lembit Öpik) and for Brecon and Radnorshire (Mr. Williams). I will reflect on the points that they made and come back to them, if that is okay.

We need all the means at our disposal to meet the challenges that I set out, and research and development will be very important. I was fortunate earlier this week to launch formally the new Food and Environment Research Agency in York. It will help us to monitor and tackle disease and maintain the safety of our food. It is a world-class facility and I urge any hon. Members who have not had the chance to visit to do so.

Miss Anne McIntosh (Vale of York) (Con): It is in Ryedale.

Hilary Benn: Indeed, it is in the constituency of the hon. Member for Ryedale (Mr. Greenway). It is very impressive.

Along with the Biotechnology and Biological Sciences Research Council, DEFRA, the Agriculture and Horticulture Development Board, industry and some NGO contributions, we invest approximately £164 million a year. As hon. Members know, we have put more money into bee research because of the concerns that were expressed. I pay tribute to the right hon. Member for Fylde and the Environment, Food and Rural Affairs Committee for being part of that process. That is an example of priorities changing in response to changing circumstances.

We have announced five demonstration projects, which will receive funding from our £10 million anaerobic digestion demonstration programme. We formed the anaerobic digestion taskforce to work with the industry to overcome any remaining obstacles so that we can tap that great potential for energy.

We are also working with specific sectors. As many Members know, perhaps partly thanks to Jamie Oliver's work, the pig industry has been through some tough times. As I said earlier, I pay tribute to my right hon. Friend the Member for Liverpool, Wavertree for her work on that. The Select Committee recommended setting up a pig taskforce and we did exactly that. We announced it in February and it has been working hard to get to grips with the issues. Indeed, my hon. Friend the Minister attended a meeting of the taskforce on his second day in the job. It examines in detail what needs to be done to help the industry.

We are trying to improve public procurement to provide a better market for British produce, and the Government are buying more of it. Ministry of Defence procurement is up to 59 per cent. from 43 per cent. The NHS is up to 70 per cent., and almost 100 per cent. of milk used by Departments is British.

Following an idea from the Council of Food Policy Advisers, supported by the Eat Seasonably campaign, which, I am proud to say, DEFRA has funded, I will bring together people from the horticulture industry to examine how we can grow more fruit and vegetables in the UK and get more people to eat five a day, because we know the importance of fruit and vegetables to our health.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): We are all in favour of teaching children about a richer, more varied diet. However, does my right hon. Friend agree that one problem, as Natural England found in a recent survey, is that the number of children who go to the countryside has halved in a generation? Is it not time that we put more emphasis on taking children to the countryside, and getting them to learn about it through any discipline, so that they understand where their food comes from and the importance of fresh, good food sourced locally?

Hilary Benn: I could not agree more with my hon. Friend. Open farm Sunday, which was the Sunday before last, is important. From memory, about 450 farms around the country opened up. Young people visited the apple farm to which I went in Hampshire. There is a—no pun intended—growing interest in understanding where our food comes from. One need only consider the enormous demand for allotments, the growth in farmers markets and the greater desire on the part of consumers to buy local produce.

It is important that we facilitate that, through clearer and more accurate labelling. That is why we are pushing in Europe for origin labelling to be significantly improved and why, at the same time as maintaining full public confidence about the safety of food, we need to address the 370,000 tonnes of food that is thrown out every year after passing its "best before" date, despite being safe to eat. As the House will be aware, last week I announced steps to look at how "best before" labels are used, because a large proportion of farmers' hard work ends up in the bin and then in landfill, where it produces methane, which adds to the problem of climate change, which affects the farmers. That is a small example of why we all have an interest in working together to deal with the problem. We have to be clear about what is safe and what is not, because nothing must compromise safety, but we also need to stop throwing away good food and stop wasting money in the process.

Mr. Sheerman: Before he leaves this point, does my right hon. Friend agree that if we want to get people to go back into the countryside, perhaps the Government should have a policy of giving back to the English common people the English common land that was stolen from them by the other place in the 18th and 19th centuries, and which is still owned by the same people, in the same landed estates? Is it not about time that our Government gave that land back to ordinary people?

Hilary Benn: I must confess that I was not anticipating that I would be invited in this debate to include a reference to the Enclosures Acts and the past 200 years of British history or say what we might do about it. I therefore hope that my hon. Friend will forgive me if I am not tempted to travel down the path that he has opened up.

Whoever owns the land, the way in which our food is produced is changing, as is our relationship with the environment, as we come to understand the importance of sustainability much more. However, one thing is certain: the world is going to need a lot of farmers and a lot of agricultural production over the rest of this century, not least because we have to feed about another 3 billion human beings. That is a big task, and we have to be ready. We all have to play our part, and there is a great deal still to do. I know that British farmers and food manufacturers are up for the challenge, and so am I.

3.2 pm

Nick Herbert (Arundel and South Downs) (Con): We have waited more than six years for a debate on farming in Government time, so this debate is extremely welcome. It is also a timely opportunity, and I congratulate the Secretary of State on being here to move the motion himself.

The recent collapse of Dairy Farmers of Britain has sent tremors through the farming community and serves to remind us that farming is not an industry that can be taken for granted. However, under the current Government, one could be forgiven for thinking that agriculture is an afterthought or, worse, an obstacle in the way of DEFRA's broader objectives. Government policy tells us that

"domestic production is not a necessary condition for food security,"

as my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) reminded the Secretary of State. That policy document still stands. There is no mention of farming in the Department's title; indeed, it is not even mentioned in the Department's sole public service agreement. If food security is so important, why is it not reflected in the Department's primary mission?

Farming Ministers come and go with every harvest. Indeed, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), the latest to exit, left before the harvest, having completed little more than six months in office. I hope that the Minister of State, whom I genuinely welcomed to his place on Monday, is feeling secure. However, he and his right hon. Friend the Secretary of State can console themselves with the thought that they have, at most, 11 months left in their posts.

A lot has happened since the Government's last debate on farming. The single payment scheme has shaken up the system of support. Farmers face new disease threats, such as bluetongue, not to mention the travails of dealing with foot and mouth and bovine TB—a subject to which I wish to return. They also operate in an increasingly open and competitive marketplace, as the nature of support has changed. However, many things have remained all too familiar since that last debate: dominant supermarkets, inadequate food labelling, and excessive and growing regulatory burdens. All that is set against the backdrop of concern about food security, which the Secretary of State quite properly set out.

But what has been the Government's response to this looming crisis? Within a very short time the world will not be able to feed itself, as the Secretary of State has pointed out, and a Chatham House report has recently warned that the problem will have a particularly great impact on import-dependent countries and on poor people everywhere, yet the Government's response has been to preside over an increase in the United Kingdom's reliance on imports. They have overseen significant declines in the production of cereals, milk, vegetables and meat. In short, they have decreased our productive contribution to food security.

No one is suggesting that Britain either could or should be wholly self-sufficient in food. That would be impractical and, arguably, undesirable. Nor is anyone suggesting, as far as I am aware, a return to production subsidies or targets, and we are certainly not suggesting import controls or any kind of interference with the market—of course not. However, one of the country's foremost experts on food security, Professor Tim Lang, has said:

"The present Government's food security policy creates unnecessary vulnerabilities."

We recognise the benefit of a diversity of supply, but that needs to be balanced against the sustainability of food miles, the importance and value of local production—to which the Secretary of State referred—and the threats posed by climate change and terrorism. Trade will continue to be important, but in our view the pendulum has been allowed to swing too far away from domestic production.

Lembit Öpik: I support the hon. Gentleman's observations about food security. Does he agree that it is contradictory to talk about having environmental policies on food production while regulations make it almost impossible to run a small abattoir? Would it not be more sensible, from a risk management perspective, to relax the regulations on small abattoirs to ensure that we can re-localise food production wherever that is practicable? Montgomeryshire is certainly one place that is crying out to do that.

Nick Herbert: I agree with the hon. Gentleman that the decline in small local abattoirs has been one of the highly regrettable trends in contemporary agriculture. It undermines the cause of local food production, which people support. I hope that we will be able to arrest that decline in future.

Professor Lang also states:

"For a country blessed with such fine growing conditions as the UK not to grow the food which it could, and to use imports as a substitute for produce which could perfectly well be grown here, is a waste of potential."

He is surely right about that. We must move away from importing vast quantities of food that we could grow ourselves. We have the infrastructure, the soils, the climate and the skills to increase our contribution to national and global food security, but we cannot do that if we go on seeing farmers as dispensable, as I believe the Government sometimes do. Of course food security must not be an argument for protectionism or for the re-intensification of agriculture. I would be the last person to advocate either of those things. However, there should be no conflict between the environment and food production.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): My hon. Friend is making an important point, which I wholeheartedly support, about the need to rebalance our food production and to see the pendulum swing back in the direction of local production. The hon. Member for Montgomeryshire (Lembit Öpik) pointed out that we have seen a decline in the number of local abattoirs, and many dairy farmers have quit the industry altogether. We are losing some of the local infrastructure that could have enabled us to increase the share of locally produced food that the UK consumer buys.

Nick Herbert: I agree with my hon. Friend. There is a danger in allowing relatively fragile parts of the agricultural sector, including the dairy industry, to face these difficulties. If we continued to lose them, it would be very hard to restore the agricultural infrastructure that would allow

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us to rise to the challenges that we face. It is highly desirable that we should retain the means to grow the foods that it is possible to grow domestically.

Our food security ultimately depends on healthy and diverse eco-systems. That is why I do not believe that there is a conflict between the environment and food production. In the past, it was largely the fault of successive Governments of all parties sending out the wrong signals about what they wanted agriculture to do. Violent swings between production at all costs and the environment as the first priority of farming are, in my view, unhelpful. The stop-go approach—payments to rip out hedgerows one moment and incentives to replant them the next—has been enormously damaging, and has fostered the equally damaging notion that farming and the environment are at odds. What we need to pursue is a balanced agriculture.

Mr. Sheerman: Does the hon. Gentleman agree that we have seen an amazing diversification of the agricultural products coming from our farms over recent years? He may know that I have an obsessive interest in the English poet John Clare. When we open the John Clare centre on 13 July—his birthday—we will sell a massive range and variety of home-produced local products that were not there 10 years ago.

Nick Herbert: I agree with the hon. Gentleman that there is increased interest in the local production of food, and there is still unexploited potential there. If that is to continue, we need to rely on a number of things, one of which is correct food labelling, which I shall come to shortly.

I was talking about the balance between agriculture and the environment. Today's climate change projections suggest profound effects on agriculture and the environment in the years ahead, as we discussed in relation to the Secretary of State's statement earlier. We will need a more sustainable approach to water management, and we will need to develop technology that can reduce farming's greenhouse gas emissions, through technologies such as anaerobic digestion. We will need smarter mechanisms to enhance our biodiversity where we continue to suffer biodiversity loss and miss important targets. We will need to promote carbon capture, ensure proper flood prevention and secure other environmental services.

The Wildlife Trusts have called today for a long-term vision for the future of our land, with joined-up decisions on agriculture planning, water management and more. I believe that this call for an integrated approach to land use is right, but it requires a fundamentally different approach, oriented around incentivising the right outcomes rather than imposing further regulation and being so worried about processes.

Mr. Roger Williams: I am listening carefully to the hon. Gentleman's argument; he is engaging in thought processes that many of us, too, are going through. Does he think that it is the duty of farmers and the farming industry to produce more food, or is it their duty to look after their own businesses? If the latter, how are we going to incentivise farmers to produce more food?

Nick Herbert: I said earlier that I believed in the market, so the trend of agricultural policy towards farmers decoupling and producing increasingly for the market is the right one. Where public support is necessary in the future, it should be oriented towards the delivery of public goods—things that would not be secured by means other than intervention, or public funds, if necessary. In my view, sustainable farming—producing to the market with profitable farms—will ultimately be necessary if the industry is to thrive. Farming can be successful only if it is carried out in an environmentally sustainable manner, which explains why I do not always accept the distinction sometimes made between farming on the one hand and the environment on the other. The balance has often gone wrong when the Government have interfered in the wrong way.

It is our farmers who manage most of Britain's wonderful landscape, so we must enable them to be competitive in a truly open market, and in harmony with the environment. We need a balanced approach that recognises that we cannot keep imposing regulations and hope that the industry remains viable. Farms are businesses, after all, as I think the hon. Member for Brecon and Radnorshire (Mr. Williams) was suggesting. They need to make a profit, and we need to remember that. Farmers cannot be told both that they must operate in a global marketplace, and that they have to compete with cheaper foreign produce that can be labelled "British".

Ministers have been promising a voluntary agreement with the supermarkets on country-of-origin food labelling for more than a decade, but consumers still cannot have full confidence that "British" actually means "British". There is still misleading labelling. Six months ago, the Secretary of State told the Oxford farming conference that labelling rules were "nonsense" and had to change. He said that he would meet processors and retailers to discuss how to bring about a voluntary agreement. Can he tell us what progress he has made? If he wishes to intervene, I shall be happy to give way.

I have been meeting representatives of the supermarkets as well, and I regret to say that although Waitrose and Marks and Spencer support our "honest food" proposals for clear country-of-origin labelling for meat and meat products, it is clear that Tesco, Sainsbury and Asda do not. I believe that while consumers are still being misled, if agreement in the European Union—which the Secretary of State says is slow to be secured—is still not on offer and if the supermarkets will not agree to the voluntary scheme that the Secretary of State appears to have been trying to establish for six months, the Government themselves must act. Consumers cannot go on being misled.

I urge the Government to support the Bill introduced by my hon. Friend the Member for South Norfolk (Mr. Bacon), which is due to receive its Second Reading in a few months' time. However, I can give an undertaking that if the Government do not act and introduce a domestic labelling scheme—which is possible under European Union law—when our consumers are being misled, the next Government will do so. Farmers and consumers alike value action, not hollow promises.

We hear the same story from the Government about the proposed electronic identification of sheep. In Yorkshire recently I met a group of hill farmers who left me in no doubt about the damaging impact that that costly and absurd new requirement would have on an already

fragile industry. When I questioned the Secretary of State about the matter in the House on 21 May, he said that the Government

"showed leadership in arguing that the cost...outweighs the benefits".—[*Official Report*, 21 May 2009; Vol. 492, c. 1620.]

If only that were so. Back in 2002 the Government's negotiating position was set out by the right hon. Member for Scunthorpe (Mr. Morley), who was then the Minister responsible for animal health. He declared:

"I am convinced that electronic identification of farmed animals is the way forward—especially in respect of sheep".

Let us be clear. Following the example of Senator John Kerry, the Government supported the electronic tagging of sheep before they opposed it. Is that what the Secretary of State meant by leadership—leading on the imposition of another expensive and unnecessary burden, and then claiming to be trying to tackle it? I regret to say that on electronic identification of sheep, food labelling, pesticides and reform of the common agricultural policy, the story is the same: it is the story of a Government who have failed to stand up for British agriculture.

Farmers are striving to reduce their environmental impact, and want the industry of which they are so proud to be a part to stand on its own two feet without support. Most farmers to whom I speak would like that outcome. However, if we are to dismantle the market-distorting support which has inflicted so much harm on the developing world, which in my view has undermined our own industry in significant ways, and which farmers ultimately do not want, and if we are to shift resources to the environmental and public goods that farmers could deliver, we must be prepared to allow agriculture to become more competitive so that it can operate in that market. That means less and smarter regulation that delivers proportionate gains for the environment and animal health, and steps to ensure that the market works more effectively in the consumer and producer interest, with honest labelling, fairer supply chain arrangements and strong co-operatives. It also means action on TB, which is undermining the beef and dairy industries across large swathes of the country.

Since the right hon. Member for Liverpool, Wavertree left her post, she has given an interview in which she indicated her belief that the Government's position on the culling of badgers could or should change. It appears that the Secretary of State is increasingly isolated in his position, which is to oppose such a measure. The Welsh Assembly has decided to go ahead with a more robust measure. My understanding is that the Liberal Democrats support a targeted cull. We have consistently done so. We cannot continue slaughtering 40,000 cattle a year, or preside over a bill now rising to £600 million a year and heading towards £1 billion, and do nothing, simply waiting for a vaccine that may or may not be effective.

The Secretary of State says that agriculture is pretty strong, but underlying that is a continuing fragility in important sectors. The dairy sector is one. We have already lost a quarter of our dairy farms. I referred to the collapse of Dairy Farmers of Britain and listened with interest to what the Secretary of State had to say about the measures that the Government are trying to take to support farmers who find themselves without a buyer. Only today I received an e-mail from a constituent who tells me that as a Dairy Farmers of Britain supplier, he has 34 days of unpaid milk, amounting to £17,500. He is concerned about the attitude that his bank is taking and whether, even if he can find an alternative purchaser, it will supply. He wants to know what can be done to put pressure on the bank to honour its milk cheques. It is important that we recognise the fragility of the industry and the continuing need to ensure that a viable dairy industry remains in existence in this country.

The fragility also extends to upland farming. Again, the Secretary of State says agriculture is pretty strong but it is clear that even with the improvement in prices we have seen since their low point a couple of years ago, upland farm incomes are almost wholly dependent on the public support that those farmers are receiving. Therefore, both sides need to think hard about the long-term future of upland farming, as we consider the next round of CAP reform.

There are things that the Government can do, and public procurement is surely a good example. The pig industry is in dire straits, so why is it that not a single rasher of bacon served to our armed forces is British? At the very least, why cannot we move towards a system whereby all publicly procured food meets British standards of production? That is a legal requirement that we could impose.

There is no more important industry than the production of food. Food security sits alongside climate change as one of the greatest challenges of the 21st century. Indeed, those two issues are intimately linked. But at this critical period the department responsible for the industry has lost its way. We need a new mission for the Department, which occupies such an important role in the health, security and well-being of our nation. We need a commitment to the irreplaceable role of our farmers as custodians of the countryside and producers of food, and we need the actions to back it up. We need an approach that views farming and the environment as compatible, not in competition. We need a radical new policy framework to ensure the sustainable and integrated management of natural resources, including water. I regret to say that it is increasingly clear that the only thing that will bring about that much-needed change in approach is a change of Government.

3.24 pm

Mr. Ian Cawsey (Brigg and Goole) (Lab): It is an honour to be the third speaker in the debate and to follow the two Front Benchers, both of whom made splendid contributions to a debate that will be a good one. I do not want to detain the House but there are a number of things happening in my constituency that may be happening in other areas, especially if they are rural. I welcome the opportunity to draw these to the attention of the House and hope that the Minister will be able to respond later today.

My right hon. Friend the Secretary of State talked about Dairy Farmers of Britain, the collapse of which has been a real tragedy for all involved and traumatic for all those who suddenly found themselves as members of a co-operative that had gone into receivership. Dairy farming is not king in my area, but that has in fact worked against us finding a resolution to this problem. Only last night, I was speaking to Keith Wilson, a dairy farmer in the Isle of Axholme in the south-west of my constituency. He is one of only three dairy farmers now left in the area. Although we all welcome my right hon. Friend the Secretary of State's announcement today

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that 1,600 of the 1,800 affected farmers—along with 96 per cent. of the milk—have now been placed with new companies, that still leaves 200 who have not, and anyone who is among that 200 faces a very bleak future indeed. Mr. Wilson and the other dairy farmers in my area find themselves in that position through no fault of their own. They have currently been given the receiver's standard four-week rolling contract. Under that, the milk gets taken away, which they welcome, although at a 10p a litre minimum price, and nobody needs to be a rocket scientist to work out that that is an extremely low price that does not cover even the most basic costs of running a farm. This situation clearly cannot continue.

Mr. Roger Williams: I am sure that many Members present in the Chamber have constituents who are in similar situations. Many of the farmers who are finding it difficult to get a contract would like to get out of milk in the near future, but they need a contract for six months or a year at a decent price in order to plan their exit from the industry and ensure that they get the best price for their assets so they can reinvest in another form of farming in the future. Would it not therefore be a good idea for DEFRA to get involved and see whether it can encourage those contracts to be put in place?

Mr. Cawsey: I endorse that comment entirely. DEFRA is always chanting the mantra to farmers that diversification is the way ahead and they must move with the times and look for new ideas, but they cannot cross the River Jordan instantly, and I think there should always be support for farmers who are trying to do the best for their companies and trying to keep farming going in their communities. I hope my hon. Friend the Minister might be able to respond to that later.

The dairy farmers in the Isle of Axholme are annoyed that they have so far been unsuccessful in their attempts to get placed with other contracts. The Isle of Axholme is quite remote, and there are only three dairy farms there, none of which is a large concern, so the problems are clear—except that the tanker that currently comes to collect their milk every day is collecting on behalf of the other companies, and there is therefore a slight frustration that it is the tanker of the same companies that will not take their milk that is coming to their farms. That seems absurd. Also, Dairy Crest has contracts placed in Gainsborough and Retford, neither of which is very much further away. I hope that my hon. Friend the Minister might speak to the receiver about this. I understand that attempts are being made to try to get contracts for the farmers who are left, but might these companies, who are picking up milk now and who have already placed new contracts for farmers who are not far away, be encouraged to go that bit further? I hope that that might be achieved even if it is only for a period of time so that, as the hon. Member for Brecon and Radnorshire (Mr. Williams) said, people can consider their options. That would be better than the situation they are in now—one in which they face a very bleak future and could be forced out of the industry very quickly. I hope my hon. Friend the Minister will respond to this point in his reply. For these 200 farmers, including the three in my constituency on the Isle of Axholme, it is no consolation that so much progress has been made for everybody else. They face a very bleak future, and DEFRA should do something to help them.

Of course, like most representatives of a rural area, I have meetings with my local farming representatives. I had a good meeting at West Butterwick recently with the local members of the National Farmers Union, at which I was heartened to learn that many of them are doing quite well at the moment—much of my area is arable—despite all the problems facing other farming sectors and the British economy generally. A lot of that has to do with exchange rates, subsidy and so on, and before we get too carried away it should be borne in mind that those farmers have been through a pretty rough time too, so if they are having a window of opportunity now, where things are a bit better, I say "More power to their elbow."

"Farming" is not a generic term. One sector may be doing well while others are struggling—and not just dairy farmers; the hon. Member for Arundel and South Downs (Nick Herbert) mentioned pig farmers and I cannot help but agree with everything that he said. That is an unsubsidised part of farming that does a really good job producing an excellent product and it genuinely does have much better animal welfare standards than are found in other countries across the world—I say that as someone who has a passionate interest in animal welfare—yet the magic premium that we all seek for it never seems to come through, certainly not at the level it should. We must support the sector because if, as I do, hon. Members believe animal welfare is not an add-on for people involved in agriculture but should be an integral part of what they do, we should back British people who take that view and deliver it. There are a number of ways to back them.

We know that pig farming is an unsubsidised industry, but we can change things through procurement. It is a disgrace that the pork procurement rates of national and local government are as low as they are. I am sick to the back teeth of having this discussion with people who say, "We have to put things out to tender and we must have the same specification and so on." I see no reason, and never have done, why an animal welfare standard should not be part of the specification. Let other people meet it and compete on it, but for goodness' sake let us not ignore it. We must ensure that it is part of everything we do. I am certain that if the Minister could get Departments to add that to their procurement specifications, it would make a real difference and British pig farmers would rightly be the beneficiaries.

This debate on food, farming and the environment is wide-ranging, and I welcome that because about six months ago—I am not claiming any glory for the fact that we are having this debate—I asked at business questions whether we could have such a debate. I did not quite use the phrase "food, farming and the environment"; I think I was more interested in having a debate on land use. However, what I was asking for could almost be fitted into that title, because we are in a quandary over land use in rural areas, and the Government, across all Departments, have to start thinking through what their response is going to be. I am sure that my area is not that different from everywhere else and, as I have mentioned before, people have concerns about food security, so they want to ensure that we keep good agricultural land, we keep Britain's farmers farming and we keep a high level of ability to feed ourselves.

Alongside that, there are pressures from people who want more rural housing—in particular, affordable rural housing. I have seen the effect of that housing need in

my constituency. I feel helplessness, as much as anything else, when, as happens time and again at my surgeries in one of the villages, I meet a young couple or their parents who want to be able to say that they have lived as a family for generations in the same village, but they cannot afford to pay the current house prices—these are very nice places to live and the market is king—and there is hardly any social housing for them to move into. I have no problem with the policy, but when it was decided that council houses could be sold off under the right to buy, it was inevitable that tenants in very nice rural parts of the country who could get a big discount on their houses did so—they would be fools not to. Nothing came after those houses and, as a result, there is a real shortage now and we need to do more about that.

We need to encourage local authorities to invest more in the social housing in their rural areas and we need to have a sensible—I plead for no more than common sense—approach to sustainability. There was a planning application in my constituency—it was in the East Riding of Yorkshire—a few months ago by somebody who wanted to build a new house for a family who had lived in the village for years. There had been a house on the site previously, but it had been demolished and they had been living in a mobile home, admittedly for some years. They simply wanted to replace that mobile home with a house again, but the application was turned down because it was an "unsustainable development". It was simply the same people wanting to live in the same village. While we are making decisions like that, we are getting into a quandary about our use of rural land, and that needs to be addressed.

Flood defence is another key issue. My constituency is split by several rivers—the Trent, the Humber and the Ouse—and the Environment Agency is trying to draw up flood defence risk strategies and plans for the future. That is difficult for everybody, because people are concerned about the extent to which they will be defended in the future. It is clear that the Environment Agency's thinking, given the pressures that it is under—and the fact that climate change is making such planning difficult for the next 50 to 100 years and beyond—increasingly includes the use of wash land. My hon. Friend the Minister will recall the DEFRA document "Making Space for Water", and it is driving much of the consideration.

We have three competing pressures for land—the need for more rural affordable housing, the aim of food security in the future and the need to ensure that rural areas remain dry. The Government need to think carefully about a land use policy for the future. The farmers in my community accept that they are potentially part of the solution to flooding, but they do not want to lose good agricultural land. If it is to be used only occasionally during extreme weather conditions, they want reassurances that they will receive adequate compensation for anything that they lose, such as crops on flooded land.

I plead for common sense. The Government need to ensure that the different Departments and agencies that are considering how land should be used talk to each other and come to sensible conclusions. It may sound as though my whole speech is about the Isle of Axholme, but that area has had terrible problems. It is reclaimed land below sea level, and is no longer an island—although it used to be. For those hon. Members of a Methodist bent—as I am—it is where John Wesley was born. It was reclaimed by Vermuyden, who was brought over from Holland to drain it. Drainage in the area is already complex, but as pressures grow—on surface water drainage because of increased building, and from the Trent, which flows through the isle—there are real fears about protecting the area for the future.

The Environment Agency started its review of the Trent strategy, which includes the isle, by saying that it probably did not need to be as well defended in the future as it has been in the past. That is not a great message to send to people who live on land that is below sea level. It took an enormous effort, but in the end we managed to get all the agencies together and the Environment Agency is now spending £1 million on a specific Axholme strategy to try to work out who will do what in the future.

The problem is that the agency was looking only at what it did, and was not talking to the internal drainage boards—the people with the real local knowledge of the area. They know where every drain goes, which pump is on its way out and which pump will last for a bit longer. We have solved the problem now, and everyone is sitting around the same table—I have the great honour of chairing our flood strategy—but that was not the direction that the agency was taking in the beginning, and I am worried that it is working in isolation in other areas.

The other problem with the agency is that all the river defence strategies cover particular rivers and particular areas, stopping at county boundaries, but water does not stop at the boundaries. For my area, there are several different strategies affecting the East Riding of Yorkshire, west Yorkshire and north Lincolnshire, but—as I have told my right hon. Friend the Secretary of State before—there is not enough co-ordination by the different teams in the Environment Agency that are working on those strategies. I am sure that they are doing a good job on each individual strategy, but where they meet is crucial.

The East Riding of Yorkshire council shares my concerns and has been in very difficult correspondence with me. In fact, I think it is still subject to a judicial review of the way in which the Environment Agency has done its work. We want to avoid that. We do not want to get into litigation about it; we want to get people to sit round a table, sorting it out. The Secretary of State has told me before that he is reinforcing that message to the Environment Agency and that that is what will happen in the future. I can only wish him more power to his elbow and I look forward to seeing the results.

May I finish on one other point that I think is important? It is certainly important in my area. It is the whole issue of composting and landfill. Composting is growing, and I represent several farmers who have moved into it as a way of diversifying. We need to ensure that there are good standards throughout. The example that I am going to give involves not a farmer but the local council.

North Lincolnshire council is now doing all sorts of things about collecting garden waste, and its recycling rates have increased enormously as a result. The council is using open air windrow composting, however, which is causing concerns. There are two reasons. One is obvious: it is not nice for people near it, because it smells. I do not care how many times I have sat around a

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table with all sorts of experts—I willingly admit that I am not an expert—who tell me all the things they do to take the smell away and that it does not have to be a smelly process. That is bunkum; it smells. Sometimes it smells worse than others, but it always smells. In some respects, that is almost the least of our worries.

The other reason is the health risks posed by spores that spread from the site. The risks are well known, but the controversial point is the extent to which they spread in a concentration that could genuinely pose a health risk to an area. In the United Kingdom, we have gone for a minimum distance that is quite far compared with that in many other European countries. Germany, for example, is coming to the view that it should be only half the distance that we allow.

I went with a delegation of hon. Members to see the Secretary of State about the matter—we all have the sites in our constituencies—and I understand that the Department has commissioned research, which is being peer-reviewed. I accept that it is a job in hand, but all I would say is that while that job is in hand people are living near the sites. They know that there is a health concern and they know that the sites smell. They want to be reassured and they want the Government to move quickly. The compost should be covered, because that would help with the spores and with the smell. We all know why it is not done that way: it is cheaper not to. It is cheaper to do it the way it is being done, but finance is not everything. The environment that people live in is important.

I have several landfill sites in my constituency, and one of the great ironies is that every one who has a landfill site in their constituency wants it to be filled as quickly as possible, capped as quickly as possible and finished with as quickly as possible, but as councils increasingly hit their recycling targets, less and less goes to landfill. The date until which the sites might still be around moves further away. In terms of the greater good, that is not a bad thing, but we must be tighter and tighter on the operators, because they are going to be there for longer and longer.

In Roxby in my constituency, where Biffa runs a landfill site, there have been horrendous problems with smell over the past year, so much so that the company is undergoing a prosecution from the Environment Agency. Biffa is a very experienced company in this regard, but—although this is not true now because of the action that the Environment Agency took—on visits to the site, we found it uncovered and there was no apparatus to extract the gas. From the company's point of view that was plain daft, because on other parts of the site it was extracting the gas, generating electricity and making some money. On the part of the site I am talking about, the company was just letting us smell it and it was not very good.

Perhaps I should declare an interest. I live in Winterton, next to Roxby, and Mrs. Cawsey would want me to say that it is pretty bad where we live, too. That is not the key reason why the situation needs to be sorted out, however. It needs to be sorted because, thanks to recycling, such sites will be around for a lot longer than we thought. People who live near them need to know that they are safe, and that the smell can be taken care of.

I welcome today's debate. There is so much going on in rural areas at the moment, and people are looking for the Government to plot a way through it. People know that flood defences and housing have to be dealt with. Food security is rattling up the agenda at a rate of knots in a way that it was not only a year or two ago. We are looking for a comprehensive, cohesive way forward from the Government. I hope that when the Minister replies, he will be able to give some reassurance on that.

3.45 pm

Mr. David Heath (Somerton and Frome) (LD): First, I ought to apologise on behalf of my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron), who cannot be here for family reasons; he would, of course, otherwise have contributed to the debate.

We often talk about Government's primary duty being to defend the people, but there is a second primary duty, which is to feed the people—to ensure continuity of food supply. There has been a feeling in recent years that perhaps the Government have forgotten the key priority of ensuring a prosperous farming and processing industry that enables us to maintain continuity of supply.

There is a widespread feeling that agriculture has somehow been airbrushed out of the political system altogether. It does not appear in the name of a Department, and it does not feature in our regular Question Times to anything like the extent that it did. It has been almost impossible to get a debate on the issue. That is why I welcome today's debate so greatly. I have called for such a debate year after year, in various contexts and wearing different hats. At least we have perhaps again established the principle that we should have regular debates on agriculture.

I invite Ministers to engage far more with the agricultural community than they have in the past few years. Of course, they attend the Oxford farming conference, but I would like to see a Secretary of State at the Royal Bath and West of England Society agricultural show. One always used to, but in the past few years, we have not seen a Minister at the Royal Bath and West, or the annual dairy industry dinner in my constituency. I think that the hon. Member for South-East Cambridgeshire (Mr. Paice) snuck into my constituency and visited the Royal Bath and West; I am always happy to see him. *[Interruption.]* The hon. Member for Arundel and South Downs (Nick Herbert) visited, too. If they had only written to me to tell me that they were coming to my constituency, I would know these things, but they are very welcome. I always attend the show, and I always take a great deal away from it, in terms of making contact with my constituents.

Nick Herbert: I feel sure that we all let the hon. Gentleman know that we were visiting his constituency, and I apologise if we did not. I just wanted to draw to his attention the fact that my right hon. Friend the Member for Witney (Mr. Cameron), the Leader of the Opposition, also attended the Royal Bath and West, and spoke strongly in support of the farming industry.

Mr. Heath: He did, and he was the only one who wrote to tell me so. Perhaps he has a better support system.

This country is amazingly blessed in its agricultural land. Despite the depredations in the dairy industry and the varroa mite, this is literally a land of milk and

honey. This country has huge potential for agricultural production, yet there has been a decline. It cannot be a sensible way of managing our affairs to encourage imports of agricultural produce and for there to be reductions in our industries. There is not only an economic but a moral imperative to reverse that trend, particularly given what we all know is coming—climate change and the need to feed an ever-increasing population across the world. We should be making best use of our natural advantages.

The decline in what we consume of our produce is quite noticeable. During the lifetime of this Government alone, 10 per cent. less of the meat that is put on tables in British households comes from home-produced sources. Only 50 to 55 per cent. of the vegetables eaten in this country now come from British sources, with the rest being imported. That is partly due to purchasers—not just consumers at the point of sale, but the supermarkets and retailers—and partly because of deep-rooted ignorance among a large part of our population who find no connection between the produce that comes from rural parts of Britain and what they actually eat, and who see things as coming in packets, rather than from fields. A farmer in my constituency was taken aback when a teacher—not a schoolchild—asked him whether it was necessary to kill a cow to get its milk. Such ignorance and lack of connection between urban and rural Britain is astonishing. It is imperative that that approach is changed.

The Secretary of State talked about employment. If nothing else, there is a need to recognise the number of people who are still employed in the sector. Even though fewer people are now directly employed on the land as primary producers, we should recognise that a large sector of our economic production and national employment is engaged in the whole business of food and produce.

Let me deal with some of the problems. Dairying is the big issue for many of my constituents in my part of the world of Somerset. I still say—in the absence of any Cheshire Members in the Chamber I can do so without a great deal of argument—that Somerset has the finest dairy land in the country, as is recognised. However, let us consider what has happened to dairy farming. There are now 13,600 dairy farmers in this country—the actual figure that I have is 13,601, but we are losing two dairy farmers a day and I do not know which day of the week that number was printed on. There were 14,296 in 2007 and 28,119 in 1997, so half the dairy farmers in this country have gone out of production in just 10 years, which is extremely worrying.

It is not just the farmers who have disappeared, of course, but the beasts in the herds and flocks. There are now 300,000 fewer cattle, 200,000 fewer pigs and 100,000 fewer sheep in the national herds and flocks than there were in 2006. Our capacity to produce food is shrinking, especially in the livestock sector. There are several reasons for that, and the one I always highlight is milk price. Until we have a sustainable price that allows our producers to get a return on their investment in milk, the dairy industry will continue to shrink. I return, as I have done many times in recent years, to the principle that we must do something about the horribly skewed chain in milk production between the primary producer and the supermarket. The huge economic strength of the oligopoly of retailers means that although we get a slight alleviation on milk price every now and again, the problem constantly returns when times become a little more difficult. That has an effect on not only dairy farmers, but processors, albeit to a lesser extent. Processors are often lumped in as part of the problem, but any who talks to cheese makers knows that the retailers squeeze them every bit as hard as the milk producers, which puts them at a disadvantage. We will not do that by relying on a market whose structure is fundamentally skewed; it is absolutely clear, as has been shown many times, that, to rectify the anomalies in the market, we need a statutory code of conduct that is enforceable and backed by an ombudsman. The sooner we get that in place, the better, and the sooner the dairy industry will experience more stability.

Several Members have touched on the difficulties of Dairy Farmers of Britain, the co-operative that is now in receivership. The situation sends to dairy farmers throughout the country a terrible message—that, even when they think that they have a stable market for their milk and a co-operative arrangement that they hope is going to prosper, it can suddenly fall down. Although I hear what is said about the recovery arrangements that are being put in place, as far as I am aware, even those producers who have found new contracts have not received a milk cheque for May—effectively up until 3 June. For the average producer, that means £10,000 to £15,000 of lost income, and possibly more, as the hon. Member for Arundel and South Downs said. The average bank manager is not just going to ignore that, so we need to ensure that producers are able to see themselves through the next few difficult months until they have a stable income stream again—without some computer somewhere telling them that they can no longer cash their cheques because the bank says no.

Mr. Roger Williams: My hon. Friend points to an important part of the problem, but the other part of the problem is that Dairy Farmers of Britain encouraged some of its producers to put money into shares rather than receive it for their milk, so there is a double loss.

Mr. Heath: There is a double loss, but I do not deplore the practice entirely, because a good co-operative includes a degree of member involvement in the business. None the less, it just shows how fragile the whole set-up is. Indeed, to return to my point, until we can be sure that liquid milk prices are sufficiently high to ensure producer and co-operative profitability, we will experience such fragility in the market.

We have already mentioned nitrate vulnerable zones, and I accept entirely what the Secretary of State said: the problem was not of his making and what was signed up to in Brussels predated this entire Administration. But, what was signed up to in Brussels was daft and needed unpicking, and some of us have argued strenuously over the past couple of years for proper derogations to ensure that we do not put our producers in considerable difficulty, given not only the capital investment that they will have to make, but the agricultural activities into which they will be forced. Those activities are not sensible in terms of proper land management and slurry spreading, given the latter's confinement to limited periods. They do not make sense for the land, for good husbandry or for the people who live around those farms and who, for a couple of days a year, will be subject to misery as a

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result. We should strenuously argue that case, and, until we have the right response from the European Union, the directive should be quietly put in a box somewhere, because it is too difficult to implement.

Bovine tuberculosis is a national scandal. In 2008, 41,718 cattle were slaughtered—a huge increase. One can almost see the front line, and the little arrows with bovine tuberculosis on them, spreading up and across the country from the south-west, like the introduction to "Dad's Army". But we are not prepared to do what is necessary to arrest the advance. It is no good saying that the principal vector is cattle-to-cattle transfer. We know that; everybody does. However, I know of all too many closed farms in my constituency that have had no cattle movements but where tuberculosis comes out of nowhere. But it does not come out of nowhere, of course; we know that it comes from the feral population. Yet we are not prepared to deal with that endemic badger disease, although it has to be addressed for welfare reasons. The situation cannot go on. Even if we did not believe that acting for welfare reasons was necessary, the situation is a nonsense in economic terms as the cost to the taxpayer is enormous.

Furthermore, when a farmer sees his or her herd slaughtered, the effect is catastrophic and appalling. That is especially true if the herd is of pedigree or organic stock and irreplaceable, or if it is destroyed on the basis of a gamma interferon test and the Department refuses to carry out a corroboratory test to see whether there is an infection. In such cases, the Department acts on the basis of a test for tuberculosis that has already been shown to be far from conclusive. We have to grasp that issue. I know that it is politically difficult and why the Government do not want to act, but that is not an excuse. The time has come, I am afraid, to do something about it.

We have mentioned the electronic identification of sheep. Again, I hear what the Secretary of State is saying; he is attempting to delay the introduction of the measure and trying to argue for a derogation. However, that is another nonsense, as my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) pointed out. The rationale behind the directive—if ever there was one—has already gone, and in practical and economic terms it is a nonsense. Why are we proceeding? Sometimes we just have to say to the European Commission that some directives are nonsense and that it is not sensible for the country to implement them in their current condition.

I am glad that the hon. Member for Brigg and Goole (Mr. Cawsey) mentioned the pig sector. I am very fond of it, because I used to breed pigs myself—albeit only four breeding Tamworth sows, which hardly made me a major producer. The pig sector has to compete in a totally artificial and unfair trading environment, as it is not getting the benefit from the high welfare standards that it has rightly introduced. I do not argue for one moment against the pig industry's welfare standards, but the issue of food labelling is critical. It has been pushed by the hon. Member for South Norfolk (Mr. Bacon); I am a co-signatory to his Bill, which I support strongly. Until we let the consumer know and give them the confidence that they are buying meat produced in the most welfare-friendly environment, they will not have the option of choosing British and knowing that British is best. It is important that we give them that confidence.

Others have mentioned the problems of regulation. We still vastly over-regulate the industry in too many ways. The Rural Payments Agency, which got itself into one heck of a mess—an absolute fiasco—recovered slightly, but I fear that it is getting back into a mess. All the indications from my constituents are that it is again not doing its job effectively. I ask Ministers to intervene now to stop it getting into yet another disastrous situation.

My hon. Friend the Member for Montgomeryshire (Lembit Öpik) mentioned abattoirs. What a nonsense it is, when we are trying to develop good welfare systems and reduce mileage, that we should be closing all our local abattoirs and having to move animals over long distances to go to the abattoir. That confounds common sense.

My last point about the industry concerns marketing effectively and finding the right markets for our goods. I agree with the hon. Member for Brigg and Goole about public procurement policy. However, I am not sure that I entirely accept his remarks about the effects of what we used to call the compulsory competitive tendering regime, which the previous Government introduced for local authorities. I seem to remember cases going before the courts where it was said that it was impossible to add a moral dimension to the tendering process because that was anti-competitive behaviour. That led to the absurd situation whereby one could not specify the origin of the produce or the standards that it was required to meet. Surely we can do something about that. We are now 15 or 20 years on from CCT, and it is now right that public procurement agencies—whether the military, local government, or the national health service—do the right thing, which is to buy British, and to do so in quantity, to support our industry.

Let me finish by linking agriculture to the environment. We need to have systems in place that do not go back to the encouragement of over-production but reward good practice in agriculture and environmental stewardship. We need to protect the marginal areas of production, such as hill farms, which are very fragile, and wetlands, which are very difficult to farm, and ensure that they can be farmed effectively, not only for the inherent benefits that that brings but for the better management of the land and the success of the communities in those areas. We should ensure that farmers are able to enter into agreements for whole river catchment area schemes to maintain wetlands in order to reduce floods.

We should be encouraging farmers to be involved with anaerobic digesters. I remember arguing that case when I was a county councillor 20 years ago. I asked why on earth why we in this country did not have anaerobic digesters, as that was so obviously a better solution than many of the other forms of disposal. Yet the industry in this country is still in its infancy.

Mr. David Drew (Stroud) (Lab/Co-op): I am sorry to intervene on the hon. Gentleman, but I am having a brief respite from the Equality Bill. Does he agree that the problem with anaerobic digestion is not only one of capital costs but of local authorities' unwillingness to consider dispersed solutions to waste? They are still obsessed with the idea that one size fits all; I have to say we suffer from that in Gloucestershire.

Mr. Heath: I do agree. They used to think of using the biggest possible hole in the ground, and now they can no longer do that, they think of using the biggest possible incinerator. That is not the solution.

Just like energy production, waste disposal is best done locally. I would like farmers to get a direct benefit for their activities in relation to carbon capture. We say a lot about methane release in farming, but agriculture, particularly horticulture and arboriculture, is capable of acting as a substantial carbon sump, and it would be nice if that were recognised in Government thinking. We should ensure that planning processes understand the needs of rural areas, particularly the agricultural dimension, but I fear that that is not the case. We talk about diversification, but as soon as anyone tries to produce it, or tries to produce rural housing, they find that some newly qualified planner—because planning authorities usually only have those nowadays—says no. It seems to be difficult to break through with any level of common sense as regards planning in rural areas.

We should be encouraging much more recreational use of the countryside, in combination with food production. The recreational capacity of the countryside is much greater than its current use. We could have a whole network of bridleways and much more equestrian activity if we planned for it and were prepared to stimulate it. I would like that to happen.

We have to find better ways of supporting the agricultural sector and rural areas in this country, and we can do that best by producing the context in which they can prosper, not just by feeding them money. We need to innovate and make available the skills that they need, and we need to find the markets for their produce, which is eminently marketable because British produce is still some of the best in the world. We ought to recognise and celebrate that. At the moment, I fear that we are doing neither.

4.10 pm

Mr. David Anderson (Blaydon) (Lab): It has become quite normal for some people to believe that Labour Members have no interests in farming or rural issues. That idea was clearly put to bed by my hon. Friend the Member for Brigg and Goole (Mr. Cawsey). I come from one of the oldest industrial areas in the country, but a large proportion of my constituency is rural, and I wish to pick up on some of the issues that have been raised in the debate.

An issue that came to my mind while the hon. Member for Somerton and Frome (Mr. Heath) was speaking was rural payments. It was like a bad ghost coming into the room. We probably had a smaller work load on that issue, but for the people concerned it was a serious problem. He said that it was possibly going to come back, and I hope that the Minister will get up to speed, so that if it does come back he can nip it in the bud and people will not have to go through what they did a couple of years back.

In our area, farmers have done tremendous work. There is some really good partnership work, and we are developing the Great North forest across the whole north-east and down into Yorkshire. That is possible only because of the work of farmers who have been prepared to work with local authorities and organisations such as Natural England to make it a real success.

Another example that comes to mind is the reintroduction of the red kite in my constituency. It was wiped out in the north of England sometime in the mid-1800s, and over the past five years there has been a tremendously successful reintroduction scheme. It is probably the first such scheme anywhere in the world where, within 3 miles of where the birds were introduced, there is an urban centre—the Metro centre, the biggest shopping centre in Europe. That scheme would not have been possible without the co-operation of farmers. There was great help from organisations such as Northumbrian Water, the Royal Society for the Protection of Birds and Gateshead council, but if local farmers had not been prepared to buy into the scheme, it would not have been the success that it has been.

On the back of that, a red kite trail has been developed and is bringing tourists into the area. The local bus company has branded nine of its buses with the red kite, at a cost of £9,000 a bus. It has taken that cost on itself and won a national award, but it did not do it for that reason, it did it to publicise what was happening. The scheme has been very successful, particularly for young people. There are not enough kites for each school that wants to adopt one to do so, and we pray that the kites will get on and do what they should be doing. Some 94 were released, but there are a lot more than 94 now, thank goodness.

The scheme has been a huge success, and there has even been feedback from the kites to the farmers. The farmers report to us that on a farm within 400 yd of what was a huge council estate, the red kites are now eating sheep's afterbirth when lambs are born. The farmers calculate that they are saved two days of work a year in cleaning up afterbirth, so the kites are already giving their thanks to the farmers for helping them flourish again. It really is a success story.

I spend every moment that I can—like everybody else in this place, I do no have much time—trying to get away and get some peace. My place to go for peace is Teesdale, a fantastic area. To survive there is a tough job for the farmers, including hill farmers. Some Members in the Chamber—looking around, probably all of us—are old enough to remember the story of Hannah Hauxwell, who was featured in a 1970s television documentary about where she was living in the dale. The conditions were very tough, and she had no running water and no electricity. Thankfully, most places there are not like that now, but some of the arctic conditions remain.

There is a reservoir in Teesdale called Cow Green, and the weather station up there maps weather models like those of Reykjavik. That gives some idea of what the conditions are like. The people who work there are the salt of the earth. I have the great pleasure of meeting some of them in a fantastic public house called the Langdon Beck hotel. I would welcome the Minister there. If he really wants to see farming in the raw, he should go there—we would make him welcome. We disagree about many things in the House, but we should all agree that we owe a tremendous debt to the people who work the farms of this country. We should never forget that.

I want to talk specifically about the dairy in Blaydon. This time last week, we thought that we were close to getting a deal to keep it open. The Secretary of State was very supportive and involved himself personally in getting the receiver to give us some breathing space last

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Thursday. We thought that there would be a deal. The union and the work force worked hard and the bank that was involved seemed to be saying all the right things. Sadly, on Friday morning, the news came through that the bank had decided not to go ahead.

As I said in my intervention on the Secretary of State, there is a rumour—I would like to think that it is just a rumour, not a fact—that the plug was pulled because a bank account could not be put in place for four weeks. If we are facing that sort of bureaucratic nightmare in this country, the problem must be resolved. The outcome is that 299 dairy staff are out of work. The 288 farmers who fed into the dairy may, thankfully, have been relieved by the Secretary of State's words today. However, problems clearly remain for many people in the north-east. I hope that, if there is any more we can do, we are doing it.

The regional officer for the FBU—I mean the NFU; I said FBU because the former fire Minister is on the Front Bench. Dennis Gibb, the National Farmers Union regional officer, said about the impact of the dairy closure:

"The thought of Blaydon having to close down fills me with absolute horror... The worldwide milk market will be partly to blame. The world is saturated with dairy produce at the moment, which has undermined the milk price, which has of course made it more difficult... Over the last few years we have seen the gradual erosion of dairying in the North East and I fear this closure will be another hammer blow for milk production in this part of the world."

I would like to think that that is not the case. If the Secretary of State and the Minister can do anything to support the reintroduction of the dairy business in the north-east, I urge them to do so.

The debate on the rural economy on Monday was closed by the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Wansdyke (Dan Norris). I cannot believe what he said—I thought he must have meant it as a joke. He said:

"It is difficult to provide any further information at this point, because the situation is very fluid." [*Official Report*, 15 June 2009; Vol. 494, c. 85.]

The situation is not very fluid; it is very sad. I hope that the Minister can give us news about any possible help for the people in Blaydon. Even if the dairy cannot open, is there a role for DEFRA in helping those people try to find work?

4.17 pm

Mr. Michael Jack (Fylde) (Con): I compliment the hon. Member for Blaydon (Mr. Anderson) on a moving speech, in which he alerted us to the importance of integrating the environment and farming in the context of the exploitation of his lovely part of Northumberland through the example of the red kite and the benefits of its reintroduction and farmers' work to sustain interest from urban dwellers in rural Northumbria. He also reminded us poignantly of the human situation, which has tragically evolved, of Dairy Farmers of Britain.

The hon. Gentleman put his finger on a crucial issue as we debate some of the long-term factors that affect the security of supply of food and the short-term developments in the marketplace, which operates on a day-to-day and sometimes an hour-by-hour basis. One of the challenges that I would like to address is how to reconcile the long-term aspiration of a safe and secure food supply with the fact that, on the journey, the marketplace will have its ups and downs, as the hon. Gentleman just discussed.

I stand before the House as the president of the Shepherd Road allotment society in my constituency. I know from bitter experience the genuine problems that the producers of agricultural produce have to face. In August, I face an army of caterpillars. If I am not there immediately to administer the coup de grâce, that rampaging horde undoes all my hard work to ensure that I have a brassica crop ready to eat in the winter.

I mention that little personal anecdote because when we consider the provision of food, we realise that we have all become entirely reliant on somebody else producing our food for us. More than 40 per cent. of our food spend in this country is outside the home. Mention has been made of supermarkets, and when we go down to Sainsbury's, Tesco or Marks and Spencer, we see that they are absolutely full, seven days a week, of an unbelievable array of produce.

I can remember my mother taking me when I was a little boy in the '50s to a fruiterer's shop in York, where I grew up, and showing me an avocado pear. In those days they cost £1, which would be £10, £12 or £15 now. Today, people can buy avocado pears for less than 40p. They have become a commodity. In those days there was wonder—there was something different; there was seasonality—but today we have a 52 weeks-a-year supply of a glittering array of produce, because the world of agriculture has so adapted to meet the demands of the consumer.

That is one of the dimensions of the debate which has been missing to date, so let us reflect for a moment on what the 21st-century food consumer is asking of the supply chain, of which farmers are a key part. However, that perhaps also reflects the context in which I make that remark, because the food and drink industry in the United Kingdom is worth a staggering £162 billion. It generates the equivalent of 7 per cent. of our GDP and employs 3.7 million people. Food and drink is very big business. Depending on which estimate we use, the food part of the industry is worth somewhere between £65 billion and £80 billion. If we consider that on a global basis, we see that we are dealing with a very big industry indeed, which employs many millions of people globally, and that ensuring that the supply chains work on the 24/7, 365-days-a-year basis on which we operate is incredibly complicated.

When we as politicians give our views about the industry, we have to take into account the aspirations of the consumer. Consumers want affordability, availability, high quality, variety and choice. They also want things that taste good and they want to know more about the provenance of their food. We could have a debate on any element in that list. Ensuring that we in this country enjoy the food that we have is a complicated business. Indeed, given certain other targets, which I shall talk about in a moment, we have some genuine challenges for the future.

It is against that background that I want to address a remark that the Secretary of State made, which I wrote down. He said, "I want British agriculture to produce as much as possible." One of the problems with which I

have concerned myself, and which the Environment, Food and Rural Affairs Committee, which I have the honour of chairing, also looks at, is the difference between the declaratory statements of politicians, who perhaps believe that if they say all the right supportive things, something will happen, and the policy levers that they have to pull to make things happen. Saying that we would like something to happen is very different from actually making it happen.

One of the themes underpinning agricultural policy is a withdrawal by politicians from the decision-making processes by which farmers decide what to do with their land. The reforms of the common agricultural policy: compulsory modulation; the ending of payment schemes based on the quantity of agricultural produce that a farmer grows or, in the case of livestock, raises on his land—those days have gone. Farmers throughout the European Union now have to make their own commercial decisions. Because of the scheme under the mid-term review that we adopted, the United Kingdom is further down the road than more or less anybody else in Europe. Against that background, it is interesting that, in discussing the arguments that will shape the 2013 reforms, Mrs. Fischer Boel, the Agriculture Commissioner, is talking about possibly withdrawing the Commission's agricultural remit further, by not using the public's money for anything that affects what farmers produce.

However, we face certain challenges that will pose important questions for political decision makers about how they can meet the consumer's aspirations for a safe, long-term, sustainably produced food supply, yet as legislators have less and less to do with the commercial decisions that farmers make daily. We understand from the debate on the Dairy Farmers of Britain that short-term fluctuations in the market could affect the long-term achievement of those aspirations. In this debate, we have heard about the restructuring of the dairy industry and about the decline in the number of pig producers and in the number of animals produced in the livestock sector in general. We can see the difficult interplay between the short-term market situation and the long-term aspirations of consumers, who hope that the decision makers will play their part in fulfilling them.

Some of these matters have formed the work of the Select Committee. We have covered fields as diverse as animal disease, the reform of the common agricultural policy, the milk industry, and, more recently, pigs and the rural economy. The work that we are undertaking on food security at the moment is highly germane to this debate. I do not want to anticipate the findings of the Committee, because our work is still at a formulative stage. However, hearing a great deal of evidence on the subject has inevitably conditioned my own reaction to some of the issues that we have been discussing today.

One of the most interesting aspects of this work was the Secretary of State's appearance before the Select Committee last November to talk about his Department's policies. Given that climate change had been removed from his Department's principal areas of activity, I asked him what his main priority had become. He hesitated briefly before answering, "Food". It was almost as though DEFRA had rediscovered one of the key activities for which it was responsible. It is, after all, the Department for Environment, Food and Rural Affairs. I do not blame the Government for having attached a high priority to climate change issues, but I think that that had resulted in the Department taking its eye off the ball when it came to its food policies. The fact that we last debated this subject in Government time in 2002, as my hon. Friend the Member for Arundel and South Downs (Nick Herbert) reminded the House earlier, perhaps tells its own story.

I am glad that DEFRA has rediscovered food, because the Select Committee was concerned about the joint DEFRA-Treasury document produced in 2005, which suggested, when discussing reform of the common agricultural policy, that everything would be all right because the world's markets would ensure supply and that we should not worry about food security. Only a short time later, in 2007, we saw the first signs of what became a major increase in world food prices, at which point real questions started to be asked about the world's food supply chain.

A combination of crop failures in places such as Australia, the intervention of speculation in buying commodities such as wheat and rice, the sudden restrictive activities of countries such as Argentina, which decided not to export their products, and the rise in the price of fertiliser in China as it attempted to deal with its own agricultural problems meant that, after a decade of falling prices for food, we suddenly had a price spike. All of a sudden, decision makers around the world got very interested in food.

In the United Kingdom, the Cabinet Office was commissioned to undertake a study. It produced a remarkable document that dealt with everything one ever wanted to know about food. It did not contain much about farming, but it had a lot about food. Then, we had "Food Matters", another glorious publication from the Cabinet Office, after which DEFRA entertained us with the start of the process that the Secretary of State has said he will soon bring to a conclusion, with the publication of its own strategy. Behind all that, there has been a plethora of activities, meetings and all kinds of other things that I shall come to in a moment. So, all of a sudden, now that we have rediscovered food and had a kick up the backside from what was happening in the world markets, food security is marching up the agenda and we have to do something about it.

What worries me is that, having got past the food price spike, we might well relax. It is perhaps worth reflecting on the fact that the world food price index produced by the Food and Agriculture Organisation stood at 208 in April 2008, but had fallen to 143 just one year later. For cereals—a key ingredient of concerns about food and food security—the index was at 274 in April 2008, but has dropped to 179 today. The paradox is that during that period, farmers responded and increased the amount of cereal that they were producing. Some American farmers produced perhaps a bit less biofuel, deciding that the food-fuel paradox could be put to one side for a moment, and we saw an increase in production. In the short term—surprise, surprise—prices fell.

It is against that background that I draw again on my theme of the juxtaposition of the long-term supply challenges we face and the short-term operation of the market. The Rome summit of 2008 was a response to and addressed world food security issues. I had the honour of representing the Select Committee in Rome over two days, and it was a remarkable meeting. There was such a diversity of opinion that it illustrated the intermingling of complexity in dealing with food supply

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chain issues, the relationships between modern western agriculture and development issues, the problems of sub-Saharan Africa, the challenge of developing economies around the world and some of the important political issues that are starting to emerge and influenced the conference.

Let me draw the House's attention to a worrying development, which was a sub-plot to what was going on in Rome—the development of food colonialism. The phrase "the world will supply" in the vision document, to which I referred earlier, was predicated on the facts that organisations such as the World Trade Organisation would come to a conclusion, that we would have a more liberalised trade regime, that everybody would play fair and that the rules would apply. It is also very clear—and borne out by the Select Committee's visit to Brazil during its recent inquiry into food security—that an awful lot of international investors, particularly from countries such as China, are going around the world and buying up productive capacity in other people's back yards. International investment is making its way to places such as Brazil because of the country's huge potential, but that begins a transformation of the supply chain of food in the world in a way that could be quite threatening to our quarter of the globe.

If we view that against the background of what we should be doing to bring us full circle back to questions about the common agricultural policy and our domestic agricultural policy, it is evident that we have a more complex situation to deal with. Let me make it even more complicated by saying that there was, sadly, no DEFRA representative at the conference; the Government were represented—very ably, I am sure—by the Department for International Development. This demonstrated that the UK Government's perspective at the time of the conference was that it was more about development issues than about making a rounded response to food security issues.

Targets were set at the conference by both the FAO and the UN General-Secretary, Ban Ki-moon, demonstrating that we needed a 50 per cent. increase in food production by 2030 and a doubling by 2050. That made me stop and think for a moment. I am getting on a bit—I am in my last year in the House; this may be the last speech I deliver on a major subject. Here we are, I thought, nearly on the doorstep of 2010—to make the maths right—and we need to achieve a 50 per cent. increase in our food supply in another 20 years. If we add on another 20 years, we have to double it.

By the time we have addressed the technological and sustainability challenges and a good many policy issues, time starts to run very quickly indeed. When we add to that the complexity of global warming, which we discussed earlier today, we have an interesting mix with which to deal.

When the Committee was working on its report, we went to Rothamsted and talked to the scientists there about the potential of UK agriculture. They made the point that while we are very good in the arable, livestock and dairy sectors, we should ask ourselves how we can maximise those advantages against the background of the demands of sustainability, but also within the complex world picture that I have painted.

A fact from which we cannot run away in a debate such as this is that, however much we may urge our own Department for Environment, Food and Rural Affairs to do all that it can to support UK farming potential, in a world of uncertainty where, for example, an unknown animal disease can suddenly decimate a particular part of our livestock sector and climatic change can dramatically alter the food chain, we must ensure that we have security at home. That does not mean saying, "I want to keep out Johnny Foreigner's food," but it does mean saying, "I want our population to be safely fed." We need to exploit both our national—in the sense of large-scale—agricultural potential and our localised food chains, because that will add another dimension of security. If big fails, small can at least make its contribution. In our discussions about policy, we need to focus just as much on smaller-scale as on large-scale agricultural activity.

Before I became a Member of Parliament, I made my living in horticulture. The enterprise for which I worked as marketing manager had 12,000 acres of horticultural crops to manage, and 400 acres that we grew. I understand what it is like to operate in the non-subsidised sector—to live or die according to one's ability to meet the demands of customers or consumers—but I recognise the incredible change undergone by our horticultural industry in order to survive. We have the world's largest indoor protected facility in Planet Thanet, which is a remarkable facility to have in this country. It shows that we can be innovative in a way that enables all parts of our agricultural potential to contribute to the task of securing our long-term food supply.

I want to say a little about reform of the common agricultural policy. One of the subjects on which the debate on the Lisbon treaty, for all its controversial nature, chose not to alight was a change in the treaty obligations. I welcome the new Minister to his post. He follows the right hon. Member for Liverpool, Wavertree (Jane Kennedy), who did a great deal of work to get up to speed with a complex brief in as short a time as possible. One of the issues that he will have to tackle is the question of what drives Europe's agricultural policy.

The question posed at Rothamsted can be widened slightly. What is the responsibility of western agricultural nations for meeting their share of the long-term targets that I mentioned earlier? That does not mean British Ministers going along and pledging an X per cent. increase in production. They cannot do that. It is not like setting an aspirational target; they must do something else to encourage our farmers to play their part in helping to meet the challenge. But what about the rest of Europe? We know how politicised French agriculture is, and how domestic Italian agriculture can be. We know that there is big agri-business in Germany. All those countries have very different perspectives, but they must all operate within the terms of the common agricultural policy.

Article 38 of the Lisbon treaty refers to the establishment of a common policy for agriculture and fisheries. Article 39 states:

> "The objectives of the common agricultural policy shall be…to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour".

That is shorthand for "Let's keep lots of small farmers in Germany going because it's politically difficult to do otherwise." It talks about assuring the availability of supply, and the particular nature of agricultural activity that results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions. I could go on, but the treaty makes no mention of sustainability, climate change or the kind of global challenges we face. Commission officials and commissioners are fond of terms such as "multi-functionality" at which the eyes of most people in this country would glaze over, as they would not recognise it as an expression that tries to describe the integral role of agriculture in rural communities, providing the glue that holds them together.

I am sad that the Lisbon treaty did not address the need to bring up to speed the approach that will guide the common agricultural policy for some time to come, and make it a 21st-century treaty obligation to help with the reform process, which must get real; in fact, the comments from both Front-Bench speakers about, for example, the pesticides directive, the tagging of sheep and so on illustrate the fact that in the short term the things that drive change in the CAP do not give much chance to enable Europe to address the fundamental questions in a part of the globe where we have a tremendous productive advantage and where, against a background of climate change, we will be able to produce. We will have water and we have good soil. We have the techniques and the technology, but what are we going to contribute to meeting the global targets when Ministers cannot press buttons to set targets for individual farmers?

That brings me to the question of how DEFRA is organising itself to interact with that matter. One of the things on which we cannot fail the Government is that apart from the documents that I mentioned earlier, we now have a Cabinet Sub-Committee dealing with the matter; we have an official food strategy task force and a council of food policy advisers and so on. The only slight problem is that apart from the council of food policy advisers, nobody has a clue what the rest of these good people have been doing. Nobody knows how many times the ministerial Sub-Committee on food (DA(F)) has met, let alone what it has been discussing. I heard today on the radio—I think on the "Today" programme—that we are in the decade of transparency. If we are, may we have some transparency about what this Cabinet Sub-Committee is actually doing? If DEFRA is using this as a chance to reassert leadership in the UK Government, that is good, but may we know what it is actually trying to achieve?

Rightly, the Department of Health is involved; dealing with food security means that we have to address questions such as how much food we do not eat and how much more food we should not be eating—the obesity issue. Many of the business issues that affect our great food companies are more in the province of the Department for Business, Innovation and Skills than that of DEFRA. I have touched on DFID, which is also important in the issue. The Sub-Committee is made up of the right players, but we need to know its agenda and what it has been doing.

Likewise, I know through meeting people from the food industry that the food strategy task force's meetings pop up all over the country. I do not know what the outcomes of those meetings are, or what DEFRA has been discussing. The Department has a real opportunity to start achieving one of its objectives: helping the food chain to respond to long-term challenges and to know what the agenda is. I looked at DEFRA's own document "Ensuring the UK's food security in a changing world", and some of the questions are so general that they make one wonder whether it has thought through some of the issues. However, I am sure that it has, and I look forward to the publication of the strategy, and I also hope that our Select Committee, which aims to have its report out before the summer recess, will be able to make a contribution to that exercise. We recognise that an agenda for action must be set, and that we will not solve all the problems of our food and farming industry overnight.

I shall now concentrate on an issue that underpins all that I have said. In order for farming sustainably to achieve the aims and deal with the challenges of world food security, the Food and Agriculture Organisation targets, global warming, world disease, pandemics and the growth in population, it must have the right degree of knowledge. It is ironic that within the last few days we learned that Manchester United had sold Mr. Ronaldo—yes, a talented footballer—to Barcelona for, it is alleged, some £80 million, as that sum somewhat exceeds DEFRA's annual research budget. That puts into context where our priorities lie. The budget of John Innes, a remarkable research institution, is £25 million. It is among the world leaders in analysing the DNA of our plants and dealing with the diseases that could threaten crops on a global basis, yet how much money can it rely on annually from Government? The answer is £12.5 million. The other £12.5 million of its earnings have to be derived from competitive contracts. I want the best scientists we can get hold of to be working on these problems, for this country and also for the world.

I say "for the world" because, although Rothamsted made it clear to us that the paucity of funding in this area is making it difficult for it to keep its talented scientists, we know that those that we have are recognised internationally as among the best. That is why the Brazilian EMBRAPA organisation, which handles all its agricultural research and spends some £375 million a year on research, has invested in an exercise called Labex at Rothamsted. It wants to work with our scientists to help solve its problems. That is an indication of the quality of our science, but it needs to have some support.

I acknowledge that in addition to DEFRA's money, the Biotechnology and Biological Sciences Research Council put £185 million into agricultural research, but the chief scientist, Professor Beddington, indicated that we needed to have an uplift of some £100 million a year of spending on agricultural research. Although the BBSRC's sums have increased, we know from evidence that the Committee received from the National Farmers Union that between 1986 and 1998 there had been a 45 per cent. real-terms cut in publicly funded agricultural science in the UK. I say that that situation is unacceptable. A lot more investment than we are currently making is needed if we are seriously to take on the task of securing the world's, and our own, food supply, because we must have more knowledge if we are to learn how to increase sustainably, and securely so as to deal with crop disease, the potential of UK agriculture from, for example, our 4 to 4.5 acres a hectare arable to perhaps 9 or 10 acres.

[Mr. Michael Jack]

That came out when the Committee visited Pirbright to look at the whole question of how we can deal with the world challenge of transmissible diseases. When I found out that DEFRA had pulled out of the redevelopment of Pirbright, leaving that to the BBSRC but giving Pirbright an annually renewable £5 million contract only for monitoring animal disease, that told me that somewhere in the middle of Government we are, yet again, not getting right the sustenance of one of the world leaders in monitoring animal disease. We are the reference point in the world for foot and mouth outbreak. We are also dealing with avian influenza, bluetongue and West Nile disease, and various other diseases are out there champing at the bit to get into this country. We need to make our defences as strong as possible.

If, when the new Minister is looking at his diary, he decides that he wants to spend a profitable morning, he should go to see what is being done at Pirbright, and he should visit Merial to see how to defend against animal diseases. That would allow him to understand without a shadow of a doubt why, if we are to be able, as we have been, to deal effectively with our animal diseases, and if the sharing is to mean anything in terms of cost, we must ensure that places such as Pirbright are properly equipped with the right scientists, we must reform the Institute for Animal Health properly, and we must establish a proper working relationship with the Veterinary Laboratories Agency. Those are high priorities for DEFRA if we are to have a comprehensive and viable livestock sector.

Hon. Members will be aware that this is a challenging subject, and I shall conclude by making one or two observations about what we saw in Brazil, because it is sometimes extremely useful to see how other people do things. Brazil is very different from the United Kingdom. Brazil is an agricultural giant in terms of its potential. There, one can visit a farming enterprise that has 220,000 hectares under cultivation, which is, by my calculation, about 500,000 acres, and meet people who will say that they want to expand—for example, in soya, cotton or coffee production—by doubling the amount of land on which they operate. That is put into context by the fact that Brazil could bring into production anywhere between 90 million and 200 million hectares, which allows one to understand not only the potential but the need for capital, science, infrastructure development and sustainability. One can see the need for the west to give Brazil sufficient assistance—but not to direct it—to safeguard the rainforest and ensure that the removal of certain forest areas and the turning of them into savanna is done in a sustainable way.

All that emphasises the fact that if we are to draw a modicum of security from the fact that Brazil is out there with the potential to help our food supply, we need to contribute to what it is doing. Brazil takes its responsibilities seriously; it contributes to help sub-Saharan Africa deal with its agricultural problems and overcome the lack of productivity, the difficulty of post-harvest handling and so on. I make that point merely to say that the UK has a role to play in helping, but it also illustrates the global nature of food, farming and the environment, which is the subject of this debate. We cannot solve the problems on this subject on our own; we have to solve them, in policy terms, in both a European and a global context. We must develop the right bilateral relationships with other countries if we are to be assured of a safe, secure, affordable and sustainable supply of food, which would be a source of pleasure to consumers, and indeed electors, in this country.

4.53 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am grateful for the opportunity to participate briefly in this extremely important debate. First, may I apologise to you, Mr. Deputy Speaker, and to other hon. Members for the fact that duties elsewhere in the House have meant that I have missed portions of this debate?

As has been noted, this is the first debate in Government time on food and farming in five or six years, so it is long overdue. There are some serious issues facing our food producers and our farming industry, and they have not been addressed sufficiently in Government time or in Opposition time on the Floor of this House in recent years.

I genuinely welcome the new Minister to his post. He has an opportunity to recalibrate things and demonstrate again that this Government are committed to the UK's agricultural industry. Personally I could not care less whether he is a vegetarian—that has nothing to do with the issue; what matters is his commitment, and that of his Department and his ministerial colleagues. He has a fresh opportunity to show that.

I wish to focus on two particular issues in the time available to me. Hon. Members should be in no doubt about what a disaster bovine TB is for many farmers up and down the country. It has hugely damaging consequences. I have sat with a farmer who has just lost his herd and seen his business subjected to huge movement restrictions, and that tough, practical man was reduced to tears—a very sad thing to see.

The disease is spreading, as the most recent map of the disease zone shows. Farming representatives come here every year to lobby Members of Parliament and to speak to Ministers and officials. They can be forgiven for thinking that it is like "Groundhog Day", as they keep making the arguments and providing the evidence, but see precious little real action. Given that the evidence base from which Ministers are working is the same in England as it is in Wales, why is it that the Welsh Assembly Government have adopted a different—and far more progressive—approach to tackling the disease? I am not known as someone who lavishes praise on the Welsh Assembly, but it has got it right in this regard.

I want a clearer explanation from the Government of why a targeted cull is still out of the question. Is it just because the politics are too difficult? That answer will not .ut it with the farming community, which is sick of the issue and wants some real action and solutions. I encourage the Minister to address that question and to liaise closely with the Welsh Assembly Government to see what lessons can be learned.

The second issue, which has been referred to several times by hon. Members, is the collapse of Dairy Farmers of Britain and, more generally, the state of the UK dairy industry. My first Adjournment debate, which I secured shortly after becoming a Member of Parliament in 2005, was on the state of the dairy industry, which is hugely important to my constituency. Dairy farming is

woven into the very fabric of life in Pembrokeshire, but it lurches from crisis to glimmers of hope—so farmers start investing again—back to crisis. Just in the last few days, I have received six or seven e-mails and letters from farmers in my constituency who have supplied Dairy Farmers of Britain and are under considerable financial pressure as a result of the collapse of that co-operative.

One of those letters was from a medium-sized dairy farmer in my constituency, and it tells me of his membership arrangements with the co-operative. He says:

"I am a dairy farmer milking 110 dairy cows, and was a member of, and supplied our milk to DFOB."

He says that his membership investment over the past seven years has seen

"£32,000 deducted from our monthly milk cheque—this figure was calculated based on our milk production figures."

He continues:

"In October 2008, DFOB failed to pay the interest on our Membership Investment, stating that the global financial crisis meant that it was not prudent to pay the interest. This set alarm bells ringing"—

as it did for other farmers in the area supplying that co-operative. His story goes on:

"From 1 November 2008, DFOB introduced a price cut of 2p per litre—this money was supposedly used to close down two of their factories...and put the company back on its feet. We estimate that this price drop cost us £10,000 from November to May.

On 3 June 2009, DFOB went into Receivership, calling in PWC to administer the Receivership."

He also says that between 3 and 10 June, PWC—PricewaterhouseCoopers—will pay him a nominal fee for his milk, rumoured to be about 10p per litre, but what really concerns him is what will happen to his main milk cheque, which should be more than £14,000. That will be lost, and other farmers in my constituency are in the same position of losing payment for a whole month's worth of milk production. Those farmers are in no position to lose that money. They have been operating on a knife edge for some years, they have been trying to invest where they can and cash flow has been very difficult. To lose such sums—an entire month's worth of milk payment—is very severe.

I do not expect the Minister to be able to wave a magic wand, but will he inform the House what discussions he is having with his colleagues and the industry about how they can support farmers affected by the collapse of Dairy Farmers of Britain? I appreciate the financial constraints that he and his colleagues are under, and I do not think that anybody expects him to start writing cheques to bail out farmers who have been hit, but farmers want to see that the Minister is alive to the issue and is taking it seriously.

In particular, I would welcome his thoughts on the behaviour of the banks in this case. One concern that several farmers have raised with me is the timing—the calling in of Dairy Farmers of Britain's loans in such a way that suppliers would lose their entire May milk cheque. I would welcome the Minister's response on that point.

5.1 pm

Mr. James Paice (South-East Cambridgeshire) (Con): I remind the House of my interests as registered.

Although I obviously accept the apologies that the Secretary of State has given, I am sorry that he could not arrange his affairs so that he could be here, because he has missed a good debate. He has missed some very sensible, wise contributions from both sides of the House, without exception, from colleagues who have described issues in their constituencies from a heartfelt position. It is a great shame that the Secretary of State was not here for that.

The Secretary of State started his speech by referring to the general recession and suggesting that agriculture was the one industry that was doing quite nicely and was not in recession. Many farmers would say that that is because they have been in recession for the past 10 years. Indeed, many of the statistics would support that. Other Members spoke about the decline in production overall and in livestock numbers; they referred to the 500,000 fewer dairy cows, and the fact that beef production is down from 110 per cent. of consumption to 80 per cent., as well all the other statistics.

One statistic that has not been mentioned but that needs to be mentioned is the Government's figure for total income from farming when considered per capita. Hon. Members should remember that that is the total income from farming—it includes diversification such as holiday lets, adding value by turning milk into ice cream and so on. Yes, that figure went up last year. That is good news. The bad news is that it went up only as far as £18,000 a year. That is the figure across the whole work force, from the tractor driver to the cowman to the farmer and their investment. I do not think that there are many sectors of our economy where the average income per person employed in it is just £18,000. When we add in the capital investment to which so many hon. Members have referred, that puts it into context.

The hon. Member for Brigg and Goole (Mr. Cawsey) referred to housing, which we discussed at length in Monday's debate. He said a lot of wise things. He also referred to composting, to pig farmers and to a number of other issues, most of which I agreed with. In particular, I agree with him about the smell in Winterton, because I have been there myself.

The hon. Member for Somerton and Frome (Mr. Heath) rightly reminded us of the importance of the industry, and he quoted some statistics. I am assured by my office that his office was informed that I was going to the Royal Bath and West show—I have checked that since we spoke about it.

Nick Herbert: Mine too.

Mr. Paice: Indeed, my hon. Friend says the same, but whatever. We had a good time—that is the important thing. The cider was excellent. The hon. Member for Somerton and Frome also referred to the importance of public understanding and knowledge of the industry.

The hon. Member for Blaydon (Mr. Anderson) made a heartfelt, moving speech. He spoke about the red kite, and I share his joy at the success of its reintroduction; it has been reintroduced all over the country, and not just in his part of the world. It is a great joy to drive up the M40 through the Chilterns and see them in the air, by the dozen sometimes. I was also touched by his reference to the debt that we all owe to farmers. If I may say so, it was all the more heartfelt and appreciated for coming from a Member on the Labour Benches. Many years

[Mr. Paice]

ago, in the days when everybody had car stickers, there was one that said, "Don't criticise farmers with your mouth full." That sums it up, in some ways—we should not forget that most of our food comes from them.

My right hon. Friend the Member for Fylde (Mr. Jack) raised the level of the debate to take in global issues, the international aspects of policy, trade and the development of agriculture. I want to come back to his comments about the common agricultural policy. My hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) referred to the harsh, difficult and personal aspects of bovine TB, and to Dairy Farmers of Britain; I wish to refer to both those subjects, as virtually every other Member has done.

I said in the debate on Monday that I hope that those who are less enthusiastic about co-operatives than I am do not use the failure of Dairy Farmers of Britain as a stick with which to beat the concept of co-operation. I fear that the management of DFOB will have some pretty testing questions to answer in coming weeks. That is not an issue for us politicians; it is a matter for the former shareholders, and perhaps for DFOB's creditors and others. It seems quite clear that there have been some odd management decisions. Frankly, it has been an open secret for months that it was in serious trouble. I was told by the dairy industry back in September or October that DFOB would go down this summer; that was widely expected, and there are questions to answer.

In the short term, the issue is the state of the supplying farmers. Obviously, it is extremely good news that such a huge proportion of them have found other outlets—that is great—and that the receiver has managed to sell some of the factories, despite the failure to find a buyer or a management buy-out for the Blaydon plant. However, we should not run away with the assumption that for the vast majority of the dairy industry everything will be all right. Apart from other issues, which I will come to, there is the fact that milk prices are falling, generally. The farmers who contract directly with supermarkets to supply liquid milk are paid a reasonable price—nobody would say that it was excessive—but those who are selling to the manufacturing side, which is half the marketplace for British milk, face much lower prices, with worse in prospect. Global prices for cheddar, skimmed milk powder and other products are low and falling.

I wish to mention one of the issues that must be at the heart of the problems of our industry. I cannot fully understand why, with the major exception of Dairy Crest, British investors do not invest in British manufacturing. Other investors do. Müller, a German company, invested a large sum in the yoghurt plant in Shropshire, which is doing quite well, as are the producers involved. Arla, a Danish co-operative, came to this country and invested massively in our milk production. Yoplait has done the same. There are many other such examples, but where is the domestic investment? If we are to fight back against the imported dairy product market, we have to make that investment.

The Secretary of State and others referred to food security. I am concerned that, in some quarters, the attitude still seems to be that the issue is just the flavour of the month, and that we can forget about it. Some of the conservation bodies are saying such things, which is a great shame, and is counter-productive. For all the reasons that the Secretary of State and my right hon. Friend the Member for Fylde mentioned, food security is hugely important. No country can say, "It's up to everybody else." Just as with climate change, we cannot say, "We'll do our own thing and leave the matter to somebody else." Every single country on this planet has a responsibility to improve its food production—our country, too.

I want to address something that has not been mentioned at all in the debate: set-aside and the question mark over whether the Government should allow the industry to address the issues raised by an abolition of the voluntary scheme or, as some would have it, a further move to a compulsory scheme. A consideration of where we go with set-aside gives us the opportunity to take a quantum leap forward. Over the past few years, set-aside has provided environmental gains, although that was not the intention behind it. The Government and most of the farming industry, as well as the conservation groups, wanted to retain that benefit, even though it had been achieved by accident, so the first idea was, "Let's keep setting land aside." However, when we look at what else has happened, we find that although there has been considerable take-up of the entry level stewardship scheme, many farmers are saying that they will not continue with it and are fed up with the bureaucracy involved for relatively little money, so I fear for the scheme's long-term future.

Whether we are talking about set-aside or the ELS, we know that we will miss most of our biodiversity action plan targets for 2010. The farmland bird index continues to decline, despite 16 years of set-aside, which we are told is important for such birds. We are missing the whole point. We need to be thinking about managing, maintaining and enhancing biodiversity on a whole-landscape basis, rather than having a situation in which some farmers opt in and others opt out, or taking bits of land out of production. We need to farm and manage our landscape in the way that has the best effect, but I am worried that the response to the consultation on set-aside showed that some, including Natural England, still say that there need to be targets on taking X thousand hectares of land out of production. We should be thinking not about such targets, but about genuine biodiversity targets. We should be looking at indicator species of birds, wild flowers and insects, and all other aspects of biodiversity and our wildlife. If we can start by getting the real targets that we want, we can then devise schemes and involve the whole industry so that rather than some farmers doing a bit and their neighbour doing nothing, they can work together. They are worth far more together than the sum of their parts because that can lead to such things as the creation of wildlife corridors between natural habitats. Everyone needs to engage to make a voluntary system work and to recognise the huge step forward that can be achieved if we can get that right.

I do not believe that the future for farming lies in a choice between producing food or looking after wildlife—we must have both. However, if farming is to have a role in producing our food, we must make the marketplace work. I will not rehearse again the arguments that have been made about the importance of food labelling, and we have heard about public procurement. Although the Secretary of State was anxious to advance the improvements—no one can deny that any step forward

is welcome—there is still a long way to go, as my hon. Friend the Member for Arundel and South Downs (Nick Herbert) clearly pointed out. To hark back to the milk market, although we have heard the Secretary of State refer to the fact that all the milk that we publicly procure is British, we must ask an interesting question: what price are our Government paying for liquid milk and how transparent is the supply chain?

If we are to make the marketplace work, we need to consider the quality of imports. I agree entirely with the hon. Member for Brigg and Goole that public procurement can be dealt with through proper specifications, which is why we say that the specification should be the little red tractor standard. It cannot be the little red tractor itself, because that means that the product is British, which an import cannot be; however, we could lay down such a standard, and it would at least create a more level playing field for our producers.

None the less, we would still have the absurd situation with the pesticides directive and thematic strategy, to which the Secretary of State referred, whereby our farmers will be prevented from using a range of active ingredients, yet we will still be able to import products on which overseas farmers have used them. That is ludicrous and patently daft. If there is a human health, animal health or animal welfare issue, the directive should apply wherever the food comes from and whoever grows it. Even if the risk is only to the operator, are we actually less concerned about an overseas spray operator than we are about a British operator? It is just crazy.

These problems are not all in the future, either. In my constituency, manufacturers from the fresh product sector, to which my right hon. Friend the Member for Fylde referred because of his experience, are already withdrawing products; next year, some existing lettuce-crop products, for example, will not be available. The problem is here and now and the Government need to claim whatever derogations they can.

We also need to do more to make co-operatives work more effectively, and that is why I made my comment about DFOB. My hon. Friend the Member for Arundel and South Downs, in his opening speech, also referred to supermarkets, and we strongly support the Competition Commission's proposed code, which the hon. Member for Somerton and Frome mentioned. It is a very robust code, but it must be properly enforced. I am not too worried whether it is enforced by an independent, self-appointed ombudsman who is paid for by the supermarkets, by the Office of Fair Trading or by anybody else; what matters is that the code is properly enforced.

If the supermarkets genuinely care about long-term British food production, they have to think about their supply chain. When I speak to certain supermarkets, I find it quite galling when they say, "Oh, we never buy any livestock in the market; it is all procured direct from farmers and we have a jolly good relationship with them." The directors may believe that, but it is not the case on the ground. I can take Members to livestock market after livestock market to talk to real auctioneers, who will say, "That guy there is buying for Tesco." It is fair to say that those bullocks will not go straight from the market to the abattoir; they will go on to a farm for a week—and then they will go to the abattoir, together with dozens of other bullocks bought for Tesco from other markets to go to the same abattoir. Strictly, then, supermarkets are not buying directly from the market but, if anything stretches credibility, it is that sort of practice. When everybody knows such practices occur, it makes people take all the supermarkets' other protestations with a significantly large pinch of salt.

Mr. Drew: Surely the problem is now with the ombudsman. Some supermarkets are resistant and reluctant to agree to the idea, but if the Government are seen to roll over, given the time that the issue has taken up with the Office of Fair Trading and the Competition Commission, the supermarkets will for ever think that, if they just hold out, the Government will give in. That cannot be right.

Mr. Paice: I am not quite sure that I follow the hon. Gentleman. If he is saying that the Government should impose the ombudsman quickly, I have a lot of sympathy with that point of view. We certainly cannot let the current arrangements go on ad nauseam.

Several Members referred to research and development, and my right hon. Friend the Member for Fylde referred to the fact that DEFRA now spends less on R and D than Barcelona spent on Ronaldo. That puts the matter into some context. What is equally worrying is the fact that the amount has gone down dramatically. In one of DEFRA's own parliamentary answers, it said that its spend on agriculture R and D was down from £82 million in 2001-02 to £63 million last year. The Biotechnology and Biological Sciences Research Council has partly compensated for that, but the amount is certainly going in completely the wrong direction. Wherever I go, and wherever the Minister goes, as he will find as he gets into his job, he will find the industry saying that we have to invest more if we are to increase production from what, after all, is a limited and shrinking area of farmland in this country.

Several Members have referred to electronic identification. The Secretary of State said that he had written to other Ministers and that he is successful in persuading the European Commission to put the issue on the agenda. However, little has been said, except by the Secretary of State, on the issue of cost sharing. I agree with him that last year's bluetongue exercise was a significant step forward in co-operation, but that does not have much to do with the Government's consultation on cost sharing, which does exactly what most of the industry feared it would do—provide justification for getting the industry to pay half the costs of the Government's current disease control system. That is the wrong way round, and it does not even take into account the possibility of delivering the strategy more cheaply. The industry must be involved in developing the strategy.

The nitrate vulnerable zone issue has also been raised by a number of hon. Members. I cannot think of a more ridiculous piece of legislation. Of course it is true that it goes back to a directive that is itself long outdated; some of the science is hugely dubious. The Government should have gone back to the European Commission and said, "Come on, let's review the directive on which this thing is based." The Secretary of State will go down in history as the politician who put national muck-spreading day into statute—four national muck-spreading days, to be precise. Laid down in the statute of the United Kingdom are four specific days on which farmers can start spreading their muck. It does not matter what the weather is, whether the farms are on flat or hilly ground,

[Mr. Paice]

whether it is pouring with rain or there is bright sunshine or whether the county in Cambridgeshire, Cumbria or Cornwall—those days are laid down in statute. What a ridiculous situation!

The hon. Member for Brecon and Radnorshire (Mr. Williams) rightly raised the issue of fallen stock and the fact that sheep and scrapie have been taken out of the whole BSE equation. Why do we still require sheep to be removed? Why can we not return to the on-farm burial of sheep?

Above all that hangs the whole issue of regulation. I do not suggest that the Secretary of State does not genuinely desire to lift the burden of regulation, but it is clear that it is not happening. One of the reasons is that the Government are still obsessed with process—with how one complies with a regulation, not with whether the necessary outcome has been achieved. That approach has to change; farmers have to be trusted. That is what we are trying to achieve, whether the issue is a lower nitrate level in ditches or higher standards of animal welfare. By all means, give farmers the target and tell them what they have to do; yes, jump on them if they do not achieve the objective. But do not lumber them with books and books of guidance, and inspectors to check whether the right boxes have been ticked. That is where the cost burden on business falls.

Several Members have referred to our uplands, and nowhere could the plight of agriculture be clearer. There has been a huge flight of stock from the uplands. I want to stress how important it is that we keep an adequate level of stock in such areas. We need to keep farmers in the uplands, for socio-economic reasons—they are important, and often the main part of the rural community. Furthermore, if the stock is not on the hills, there will not be the right vegetation; if that happens, the wildlife will go. Incidentally, gamekeepers are also important for the preservation of wildlife. If the wildlife is not there, the tourists do not come and the cycle continues in decline. All those issues are interlinked. We need to put more resources, even if from elsewhere, into the rural development programme for England and into the uplands.

It would be lovely to a debate on forestry, which applies to the uplands but also to the whole of Britain. The hon. Member for Somerton and Frome touched on that issue, which falls within the broad subject area for this debate: time, however, prevents me from addressing it.

Members referred to the Rural Payments Agency. I share the view of those who think that we are rapidly going back to the shambles that we faced at the beginning. Only this morning, I had a letter from a constituent who has still not received much money, and the payment window closes next week. In April I was promised a full reply from the RPA about what the problems are—and there are many others—but I still have not got it. All the indications are that it does not reply to letters from us, and it certainly does not deal with communications from our farmers; indeed, they regularly report that every time they phone up they get someone different. That was supposed to have been resolved years ago. There is also slowness of action in other spheres. As regards speciality produce, where the Government recently lost a legal case, the RPA is digging its heels in about implementing the legal decision.

The rural development programme for England is hugely important. It involves a lot of money and, as I said on Monday, there are big question marks about how effectively it is being spent—most importantly, about how axis 1 is being spent. Axis 1 of the RDPE is about equipping our farmers for the future. It is about farm modernisation, improving their competitiveness, and enabling them to meet a future where there will be a declining single farm payment, which we would all see in our crystal balls as being inevitable. I hope that when the Minister has got his feet under the desk he will have a look at how ineffectively that money is being used in equipping farmers for a future where, as Mariann Fischer Boel has said, there will be a shift of resources from pillar 1 to pillar 2, and other major problems will need to be faced up to in the next couple of years.

Our farming industry has, in one way or another, provided the food for the population of this country for thousands of years, and it is only right and proper that we expect it to do so for the future. It is not just an industry of some ancient, quaint past, but one with a massive part to play in the long-term future of our country. It will not always be as it has been—it will change. Farmers are learning to look after their soils better—to conserve organic matter because of its water retention properties, and to reduce erosion. If we look back using today's standards and values, we see that some practices of the past have proved to be wrong. There are huge challenges about fertility, with the decline in the supply of phosphates as well as nitrogen from fossil fuels. These are all big challenges.

All the industry expects, if it is to play such a huge role in the food security of this country, is that wherever possible the Government get off its back and create a better environment with more research and a more understanding means of dealing with competition from abroad as regards regulation and cheaper, lower-standard imports. Given those opportunities, I am certain that our industry has a great and profitable future—but, by goodness, things need to change to enable that to happen.

5.28 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): I am delighted to follow the hon. Member for South-East Cambridgeshire (Mr. Paice), who is highly regarded for his knowledge of and commitment to farming, as well as for his courtesy as a senior Member of this House. He spoke, as ever, with great authority and summarised many of the excellent contributions that we have heard; I agree with him wholeheartedly in that regard. I assure him that the Secretary of State will not miss any of the issues that were raised, which will be picked up from his officials, from *Hansard*, or from meetings that he and I have planned in the days ahead.

We know that English farmers are doing an essential job for us all. I am honoured to have been appointed to this job by the Prime Minister. I know that there have been many raised eyebrows given the view of some that, as an inner-city MP, I may have a credibility gap to overcome. I was a child of the '50s and '60s, like the right hon. Member for Fylde (Mr. Jack). I was brought

up in a more respectful age, and I was brought up to admire and revere the countryside, even from the Gorbals, Pollokshaws and Pollokshields in Glasgow. I know that in my predecessor, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), I have a hard act to follow. I hope that I will be able to live up to the standards that she set and the expectations of those who are watching us all.

This morning, I was fortunate to be able to visit the farm of Mr. Peter Kendall and his brother Richard in east Bedfordshire. We enjoyed the hospitality of Peter's wife Mrs. Emma Kendall, who provided tea, toast and coffee to me and my officials, which was most welcome. We went to hear at first hand about the issues facing the farming industry today. They are proud of what they are doing, and rightly so. Listening to them and to others whom I have met in my first week or so in the Department for Environment, Food and Rural Affairs, I have become more aware of the challenges that we need to address. Set-aside, which the hon. Member for South-East Cambridgeshire mentioned, was high on the agenda this morning. As I am sure he is aware, the Secretary of State is scheduled to announce his conclusions on that before the summer recess.

Notwithstanding the challenges, at the same time there are real opportunities to ensure that we meet our agreed long-term vision for the farming sector—a thriving industry that is resilient and focused on sustainability. There are challenges facing the industry, however, and we are taking steps to address them. For example, I was pleased last week to be able to chair the pig meat supply chain taskforce, which was established earlier this year. It is looking to address some of the challenges that right hon. and hon. Members have mentioned. The long-term sustainability of the pig industry must be safeguarded, as it has a significant contribution to make to a thriving farming sector and a sustainable, secure and healthy food supply that offers consumer choice.

I know that many farmers are concerned about the need for proportionate, sensible legislation. We share their concerns about the implementation of the electronic identification of sheep, which my right hon. Friend the Secretary of State mentioned at great length. He said that although there are benefits, such as enhancing disease control and providing management benefits for the keeper, the costs of EID outweigh the benefits for the industry as a whole. We are working with the industry to find a way to implement EID, as he outlined, while minimising the burden.

Climate change is another key issue for agriculture. The agricultural, forestry and land management sector is a significant emitter of greenhouse gases, being responsible for 14 per cent. of total global emissions and 7 per cent. in the UK. I have taken to heart the warning on Monday from the hon. Member for South-East Cambridgeshire not to hide behind a barrage of statistics, but one has to refer to some statistics in any contribution. The Government are currently developing a policy framework to reduce all greenhouse gas emissions in the agricultural sector.

Further, we are committed to making the most of the potential of anaerobic digestion to contribute to climate change policies and wider environmental objectives. The aim is to publish by July an implementation plan on practical measures identified by the task group on the matter, chaired by Mr. Steve Lee.

English farming has an important part to play in ensuring our food security, which many colleagues have mentioned this afternoon. The types of food that we eat, the cost of food and ensuring the supply of food have become hot topics. It is not simply a matter of domestic self-sufficiency. In response to questions asked by the hon. Member for Arundel and South Downs (Nick Herbert), my right hon. Friend the Secretary of State has said on a number of occasions, including today, that he wants British agriculture to produce as much as possible, provided that consumers want what is produced and that the way in which our food is grown both sustains our environment and safeguards our landscape.

Food labelling has a part to play in that, so we are pressing the food industry to provide clear and accurate origin information. My predecessor, my right hon. Friend the Member for Liverpool, Wavertree, met representatives of the food industry, including retailers, to stamp out inaccurate labelling practice. The pig taskforce has started to consider solutions to help halt such practices, including developing a voluntary agreement for the whole pig meat supply chain. In parallel, the Food Standards Agency is carrying out more detailed research into consumer behaviour in relation to origin labelling and the uptake of the origin labelling guidance that it issued last November.

We are also pushing forward in Europe with supporting the European Commission's proposal to tighten up origin labelling and claims such as "British bacon". No options have been ruled in or out of our consideration of what more can be done to improve origin labelling for meat.

Nick Herbert: We are pleased to hear that no options have been ruled out. I hope that the Government will consider a compulsory scheme, should it prove necessary. Will the Minister clarify the status of the negotiations with the supermarkets? As I said earlier, the Secretary of State talked about the matter months ago and I wonder what progress has been made towards a voluntary agreement. We would all prefer a voluntary labelling scheme, if possible.

Jim Fitzpatrick: All I can say at this point is that the matter was raised at the taskforce meeting last week. Progress is being made. Final conclusions have not yet been reached, but we hope that the work stream will be concluded as quickly as possible. Further on in my notes, I noted the hon. Gentleman's suggestion of introducing a domestic scheme if European measures fail. My understanding from advice that I received is that that may not legally be possible. However, the hon. Gentleman said that it is, so we would be happy to receive his legal advice, which we can share with our advisers. Perhaps they can then decide whether we have a case.

The UK needs to become a leader in sustainable food production, developing solutions that reduce the use of natural resources and reduce pollution, as well as having leading and competitive businesses.

The hon. Member for Arundel and South Downs accused us of obstructing British farming. I fully accept that I have been in the Department for less than two weeks but my brief experience of chairing the dairy forum and the pig meat taskforce and of meetings

[Jim Fitzpatrick]

inside and outside the Department suggest to me that there is optimism in British farming. Earlier, I said that we accept that there are challenges, difficulties and some issues about which we will disagree, but there is an underlying optimism throughout British agriculture and I believe that we need to continue to engage with and support the industry.

The hon. Gentleman also asked about the increase in imports and the decline in domestic production. The positive messages are that 2008 produced a record cereals harvest and that beef and veal exports were also higher. The UK is currently 73 per cent. self-sufficient in all indigenous food—a higher proportion than at any time since the 1950s. Again, we can exchange statistics. I am not saying that we cannot improve the situation or that we should not assist more, but it is not all doom and gloom. I do not suggest that the hon. Gentleman implied that, but we want to ensure that we convey the positive message that I am getting from British farming as part of the wider debate. Most colleagues have also communicated that message.

The hon. Gentleman raised the comments of my right hon. Friend the Member for Liverpool, Wavertree about her support for a badger cull. Of course, she is fully entitled to her opinion and she has clearly examined the matter inside and outside the Department, and we respect her view. However, we all know that the decision is not simple. The factors that my right hon. Friend the Secretary of State discussed earlier are clear. The decision not to cull badgers was based on careful consideration of all the evidence, including the conclusions of the Select Committee's report, and we are still working closely with the industry on that.

Mr. Paice: Not only the Minister's immediate predecessor, but the one before supports a badger cull. Lord Rooker has made it clear that he thinks that the Government's policy is wrong, and he was in the job for several years.

Jim Fitzpatrick: I am grateful to the hon. Gentleman for that information, about which I was not aware. I have not read any of Lord Rooker's comments in recent days.

My hon. Friend the Member for Brigg and Goole (Mr. Cawsey) asked about DEFRA funding farms to exit the milk business. I can only repeat what my right hon. Friend the Secretary of State said: we have been engaging with farmers, the receiver and banks to try to get the best deal we can. However, I will provide a little more information to my hon. Friend the Member for Blaydon (Mr. Anderson) about Blaydon.

The hon. Member for Somerton and Frome (Mr. Heath) expressed apologies on behalf of the hon. Member for Westmorland and Lonsdale (Tim Farron) for his absence, the reason for which we appreciate. I know that Labour and Conservative Front Benchers have communicated our best wishes to him for dealing with the problem at home this afternoon.

The hon. Member for Somerton and Frome raised a number of issues, most of which, if he will forgive me, were either covered by the Secretary of State or raised by others.

My hon. Friend the Member for Brigg and Goole expressed his concern about the smells and the health risks associated with composting and landfill. The Environment Agency provides a clear steer about the minimum distances between composting and farms and rural housing, although I am happy to explore the issues that he raised and the additional information that he supplied, in my capacity as the sponsoring Minister for the Environment Agency, and will write to him in due course.

My hon. Friend also mentioned the issue of housing, which, as the hon. Member for South-East Cambridgeshire said, was covered extensively in our debate on Monday afternoon, in which there were statistical exchanges. The Government have a commitment to build 10,000 homes over three years, in communities of fewer than 3,000. We were given some credit from comrades—*[Interruption]*—from colleagues. Sorry, they were indeed comrades. We were given credit by comrades and colleagues on our Back Benches, but notwithstanding that welcome, there was also criticism from those who said that our commitment was not enough. However, that commitment has been made and we need to ensure that we deliver on it.

Mr. Drew: May I just say, in a comradely manner, that it would be helpful for smaller communities if there was a clear steer on providing affordable housing through community land trusts? I know that the Department for Communities and Local Government takes a lead on that, but DEFRA could be an important vehicle for encouraging that form of housing.

Jim Fitzpatrick: I hear my hon. Friend's point. As he said, DCLG takes a lead on that, but our officials and Ministers obviously have an interest in such matters too.

My hon. Friend the Member for Brigg and Goole also asked whether we should or could include an animal welfare criterion in our public procurement. I can inform him that one of the sub-groups of the pig meat supply chain taskforce, which I mentioned I chaired last week, is looking at precisely that issue and exploring how we can step up the public procurement of products made with higher welfare standards. We agree entirely that the criterion that he outlined should be a consideration.

The hon. Member for Somerton and Frome said that no Minister had attended the Royal Bath and West show for several years. I can only apologise on my predecessors' behalf, although I am pleased to be attending the royal show on 7 July and the Royal Norfolk show next week. I give as strong as a commitment as I can now to attend the Royal Bath and West show next year, but it may be immediately before the general election or immediately after—I am not quite sure which month it is in. I believe that purdah got in the way of an attendance this year; otherwise I understand that a Minister was committed to attend.

The hon. Gentleman talked about his concern at the decline of the dairy sector. However, as we have mentioned previously, the long-term prospects are encouraging. To put that in context, dairy farmer numbers have been reducing at a fairly steady rate in the UK for many years, as they have across the EU. On the other hand, milk production stayed relatively steady from the end of the milk marketing board in the early 1990s until 2003.

Since then, there has been a steady decline, from a little over 14 billion litres a year to somewhere under 13 billion litres a year. The latest quarterly figures show a decline of just over 1 per cent. That is against a backdrop of extreme volatility in prices in the global market, with record prices in 2007-08, followed by a steep decline in 2008-09, which was driven by the global economic downturn and increased supply. However, as I heard yesterday at the dairy forum, UK dairy farms are among the most competitive in Europe and, in the medium term, are well placed to take advantage of continuing deregulation.

My hon. Friend the Member for Blaydon raised a number of issues. I am delighted to hear of the success of the red kites locally, and I acknowledge his invitation to visit one of his local establishments to enjoy the fare. He talked in his speech about the banks and the Dairy Farmers of Britain, as he did when he intervened on our right hon. Friend the Secretary of State. I assure him that all that can be done is being done, and I am sorry that I can add little to what my right hon. Friend said earlier, other than to say that One NorthEast called DEFRA officials this morning. It has worked closely with the National Farmers Union, using a funded project within the English food and farming partnership, to help to put small farms together with local dairies, now that the dairy at Blaydon has closed. That has been quite successful, and the increased work for the small dairies has enabled them to take on 10 ex-Blaydon employees, so there has been some take-up of the unfortunate individuals who lost their jobs through the collapse of Dairy Farmers of Britain.

The right hon. Member for Fylde is highly regarded as the Select Committee Chair; more significantly, he now serves as the president of the Shepherd Road allotment society. We acknowledge the challenge that he faces from caterpillars, and wish him success in dealing with it. He mentioned his memories of the 1950s, and I have already mentioned mine. However, I do not remember seeing avocados in Glasgow. I am sure they were probably there, but I have no memory of my mum taking me to see the price of them.

The right hon. Gentleman made some significant points about food security, food production and food neo-colonialism. His warnings were telling, and serve only to reinforce the fundamental importance of this debate to what is happening in the real world outside. He raised the question of the common agricultural policy and my need to work hard to get up to speed on that subject, as my predecessor did. I can assure him that I have a lot of homework to do before the Agriculture Council next Monday and Tuesday in Luxembourg. I have already spoken today to the outgoing Czech presidency and the incoming Swedish ministerial presidency in advance of those events next week, and I shall be receiving quite a lot of briefing tomorrow and over the weekend.

The hon. Member for Preseli Pembrokeshire (Mr. Crabb) talked about bovine tuberculosis and about Dairy Farmers of Britain. I think that I have covered those points as best I can, but in answer to his question about the different policy of the Welsh Assembly Government, he will know that that is a result of devolution. Policies differ between Cardiff, London and Scotland as different conclusions are arrived at, but, as the Secretary of State said, the matter is under close consideration and will continue to be so.

The hon. Gentleman said that this was only the second debate on these matters in six years, and the hon. Member for South-East Cambridgeshire said that when I get my feet under the table I will be able to study the issues a lot more. I have to say that if every other week is going to begin with a farming debate on the Monday and finish with another on the Thursday, I am not going to have time to get my feet under the table or to do any further study. I am sure, however, that the pace will not be quite as hectic as it has been in the past few weeks.

I hope that I have provided some additional clarity on what the Government are doing, but we cannot and should not do it alone. We will continue to work in a strong partnership with farmers and the representative bodies, and I look forward to helping to continue to build that partnership over the coming months. As I said at the beginning of my speech, I am proud to be the Minister of State at DEFRA with responsibility for food, farms and the environment. Without guaranteeing agreement on anything, I hope to be an effective champion in the Government for farming, but I suspect that that is a judgment that others will have to make.

Question put and agreed to.

Resolved,

That this House has considered the matter of food, farming and the environment.

Stourbridge Glass Collection

Motion made, and Question proposed, That this House do now adjourn.—*(Kerry McCarthy.)*

5.49 pm

Lynda Waltho (Stourbridge) (Lab): Stourbridge glass is synonymous with quality, craftsmanship and excellence, and it is one of the greatest names in world glass-making. Since the 16th century, glass workshops and factories in the Stourbridge area have created some of the finest glass ever made, and the industry is a fundamental part of Stourbridge's history and heritage and those of the wider black country.

The Stourbridge glass collection is currently housed at the Broadfield House glass museum, an internationally renowned museum that is ranked in the top five worldwide. Local people are rightly proud of the collection and of Broadfield House itself, as are local councillors and my Dudley parliamentary colleagues, my hon. Friends the Members for Dudley, North (Mr. Austin), for Dudley, South (Ian Pearson) and for Halesowen and Rowley Regis (Sylvia Heal)—and, apparently, as I see him in his place, the hon. Member for South Staffordshire (Sir Patrick Cormack). I am indebted to them for their support on this issue.

However, the same cannot be said of Dudley council, which, in its wisdom, appears to have identified the museum as a possible candidate for closure in an attempt to balance the books. I hope that the Minister will bear with me on some of the details, which I think will demonstrate the haphazard and confused way in which Dudley council is handling this important issue, as well as, I am afraid, the disdain it appears to show to its ratepayers, local glass enthusiasts and international experts.

In a series of meetings at the museum on 4 and 5 January this year, Dudley council officers, Duncan Lowndes, assistant director of culture, and Sally Orton, head of museums and green spaces, met Broadfield House staff and told them that the museum would close by the end of March 2010; that the only secure job to remain would be that of the curator; and that all other staff would be offered sideways moves into the borough. In addition, they were told that the collections and the research resources would be moved to the Red House Glass Cone, which is a local heritage site. Since then, the councillors and the executive have publicly denied that those meetings ever took place and have not informed staff about their job security—either way—to this day.

On 7 January, a council meeting agreed to a "review of museum services", which identified £120,000 to be saved in the sector. Sadly, only Broadfield House was mentioned, which has led many to believe that that was nothing more than a cost-cutting exercise by Dudley council. Indeed, only this week, senior Tory Councillor Malcolm Knowles said at the Stourbridge area committee that he

"considered it to have been a grave mistake to publish the amounts to be saved if Broadfield House was closed."

So much for openness and transparency at Dudley council.

I am very concerned that there was no public consultation prior to the decision and that the friends and staff of Broadfield House have not been involved in any official way. I am further concerned that the council has made no detailed financial or practical evaluation of its decision. It took the decision on a very short time scale and did not appear even to have considered any sources of external funding.

The information that friends of Broadfield House received from the council has been confusing and evasive at best, and directly misleading at worst. Despite telling staff that Broadfield House would close, various e-mails from councillors have sought to deny that any financial or final decisions have been taken. That was echoed recently by the director of the urban environment, John Millar, at a meeting of the Brierley Hill area committee on 2 April, when he said that the results of a feasibility study would be presented to the council's cabinet in October. He repeatedly denied that any decision on closing Broadfield House had already been made.

All this conflicting information is obviously counter-productive and has left interested parties unsure of where they stand. Indeed, if these meetings took place and various promises have already been given, the fact that the council has taken a decision to close makes any talk of consultation a farce. For the council subsequently to deny that any such meetings had taken place is breathtakingly dishonest. In my experience, that shows the arrogance, myopia and contempt for the public that sums up Dudley council and its approach to anything in the leisure and cultural sector.

Great strength of feeling was demonstrated in the constituency following the council's actions, and the Glass Association handed it a petition with more than 6,000 names opposing the move in April. The proposed closure and move has also attracted opposition from nationwide organisations, including the Glass Association and the Victoria and Albert museum. Local people feel very strongly about any diminution of the Glass museum's size and display area. Indeed, an online poll on the *Stourbridge News* website found that 94.7 per cent. of participants opposed the closure, and there have been pages of letters written by local people to local and national newspapers.

Let me give a few examples. Nick Baker from Ambleeote wrote in *Stourbridge News*:

"closure of Broadfield house would be a cultural disaster for the area, a massive insult to the history and people of Stourbridge".

Mr. Roger Brettell wrote:

"It is sad that the Council appears to have so little regard for its own reputation as custodian of this unique and priceless collection that it begrudges the funding to allow it to remain in its present location... I should be disinclined to support any Councillor who fails to oppose this niggardly and ill-advised proposal".

V. Perry wrote that she

"read with disgust the news to close Broadfield House",

an ! described the idea that the Red House Glass Cone could provide a suitable alternative as "rubbish". She added:

"I would guess that the decision to close the museum is centred on the development potential of the land which would generate a sizeable lump sum for the council should the land be sold!"

The suggestion that the collection could be moved to the Red House Glass Cone does not appear to be viable without extensive renovation of the current buildings. There is simply not enough space there to house such an important collection. Vast expense would be involved in the creation of a new museum with new display cabinets,

lecture facilities and modern audio-visual devices, along with the costs of wrapping, moving, insurance and the interim storage of these priceless exhibits.

As the council has said that one of the aims of the move is to save £120,000, we can only assume that it would not then be prepared to make funds available for the expansion of the Red House Glass Cone itself. If that is true, the move from Broadfield House would downgrade the museum facility, as the Red House Glass Cone has neither the exhibition space nor adequate lecture space for the collection to be displayed.

There are also fears about the structural integrity of the Red House Glass Cone site. Charles Hajdamach, the former principal museums officer for Dudley, claims that one of the tunnels underneath the cone—there are several—is due to collapse. However, although Janet Hendry of Friends of Broadfield House submitted a question about the structural integrity of the site to the Culture, Media and Sport Committee at a council meeting on 3 June, a council spokesman told *Stourbridge News* yesterday:

"We have not been made aware of any existing issues with the Red House Glass Cone building".

The site to which the council may move part of the exhibition appears to be falling apart, and the council does not seem to have any structural information about what is going on there.

I understand that a feasibility study is being conducted, but the council has refused to release information on the tender documents submitted by consultants, on the brief given to consultants, and on how much the study will cost. Barbara Beadman of the Friends has received a letter promising her a full copy of the feasibility study brief, but, unsurprisingly, it has not yet arrived in her letter box. The Friends have been refused copies of the tenders, and the chief executive of the council, Mr. John Polychronakis, has said that they are "commercially sensitive".

Many campaigners fear that the study is a sham intended to pay lip service to the campaigners and that the outcome was decided months ago. Of course, we are used to shams from Dudley council; unfortunately, it has form in that regard. I am sure that I need not remind my hon. Friend the Minister of the debacle of so-called consultations on the closure of the Brierley Hill leisure centre and baths and Cradley high school and leisure centre—recently criticised by the local government ombudsman—or of the botched library review and the current fiasco over yet another proposed closure at Coseley swimming baths in the north of the borough.

As the briefing terms of the feasibility study have not been made public, campaigners also fear that it is only considering how much of the collection can be moved to the Red House Glass Cone site as it is at present. That is a very narrow remit, and will not constitute an improvement. The council's refusal to release a copy of the tender document and the winning consultancy's bid is only adding more weight to the argument.

Sir Patrick Cormack (South Staffordshire) (Con): As the hon. Lady's next-door neighbour, I do not wish to get involved in a dispute with Dudley council but, as chairman of the all-party arts and heritage group can I say that she is performing a very real service in outlining the problem? It is crucial—

6 pm

Motion lapsed (Standing Order No. 9 (3)).

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

Sir Patrick Cormack: I am sorry, Mr. Deputy Speaker. I did not notice the time. I congratulate the hon. Lady on her speech. She is performing a very real service. It is crucial that this internationally famous collection be kept together and displayed, preferably in the historic setting that it already enjoys. I will do anything I can to help her.

Lynda Waltho: I thank the hon. Gentleman, who is indeed a very good neighbour.

Campaigners are becoming increasingly frustrated with the lack of meaningful dialogue with the council. As well as not being consulted initially on the decision, they have offered to assist with the feasibility study and are finding that the council is evasive and unhelpful. The council website has not been updated for some time and communications are at best vague. As a result of the secretive manner of its operations, there is of course a lot of suspicion among interested groups that the intention of the council all along has been to maximise a capital gain from the sale of Broadfield House, possibly to move some of the glass collection to the Red House Glass Cone site and to pack the rest up to be forgotten about deep in the bowels of one of the council's storage facilities.

At Monday night's Stourbridge area committee, the council agreed to a special meeting with the Friends of Broadfield House—but not until September, by which time stage 1 of the feasibility study will have been completed. That would appear to be a deliberately obstructive move by the council, which has stated that arrangements have been set in place for engaging all the organisations and groups that have shown their interest in the future of the museum—although it has of course refused to meet them until September, which goes completely against their statement. Furthermore, the Friends of Broadfield House has offered the council £120,000 for a year's breathing space. It has received no answer to its offer and the council claimed on Monday to know nothing about it, despite the e-mail being sent twice, and the second time to 25 councillors.

The decision to move the glass museum, its assets, collections and archives from Broadfield House strikes me at best as a knee-jerk reaction to cut budgets and at worst as a deliberate attempt to undermine the heritage of my constituency. So far, I have not been convinced that the council has the preservation of the glass museum at the heart of its plans. It would be disastrous for the region's heritage and for the glass industry if the collection were to be hidden away, not available for us to see and enjoy, split up or reduced in any way. The Friends of Broadfield House, the Glass Association and the Glass Circle would support a move if it were to improve and enhance the Broadfield House museum experience and would be delighted to help facilitate any improvement that would preserve and display the collection. However, there has been no indication from the council that that is in any way likely.

I am concerned that the proposals serve only as a short-term money-saving ploy with no real consideration of the long-term future of the Stourbridge glass collection.

[Lynda Waltho]

I strongly urge the Minister to intervene and to ask Dudley council to reconsider its decision and, importantly, to open up its processes for us all to see and be part of. I would like to invite my hon. Friend the Minister to see the collection with me in the near future to appreciate how unique it is and how bad our situation is at present. Glass-making is a key part of the history of the town that I am proud to represent. It is part of the very fabric of the place and it gives us our distinct character. Its tradition and heritage is on the verge of being destroyed as part of a short-term financial policy. Is not it only right that its townspeople, workers, artists and supporters have a real say in its future?

6.4 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): I congratulate my hon. Friend the Member for Stourbridge (Lynda Waltho) on securing this debate on an issue about which she, her constituents and other local MPs obviously care so passionately. In common with my hon. Friend and the people of Stourbridge, I, as the Minister with responsibility for museums, am passionate about the role of local museums in communities. They preserve, conserve and make accessible the tangible history of an area, and they allow people to understand, and interact with, their heritage. In this case, that heritage is the glass made in the factories and workshops of the Stourbridge area over the past 400 years.

I know that the Broadfield House museum, about which my hon. Friend has spoken so clearly and passionately, has a magnificent collection of local Stourbridge glass dating from the 17th century to the present day. The museum also has an impressive programme of events and demonstrations, which allow the visitor to see a glass-making studio in action. I completely understand my hon. Friend's desire to preserve such a gem for her community. Thanks to her questions and letters, I am aware of the current situation at the Broadfield House museum, and of her concerns about the future of its contents. I am pleased that we are having this debate, as it gives me the opportunity to respond in detail to the points that she has made.

As my hon. Friend has asked me to intervene, I know she will not be pleased that I must point out that the future of this collection and the funding of the Broadfield House museum is a matter for the local authority concerned, Dudley metropolitan borough council. The delegation of authority and responsibility from central Government to local government is the basis of the relationship between them, and it means that I, as the responsible central Government Minister, cannot intervene in matters that the conventions of that relationship dictate are the concern of a democratically elected council.

Lynda Waltho: I appreciate what the Minister is saying about that relationship, but in a case where a council appears not to be acting in the best interests of the collection or of local people, there must be something that the responsible Minister can do; otherwise such a council will just get away with it. Dudley council has got away with a lot of other decisions. Local decision making is bad, and local people have no confidence in what is going on.

Barbara Follett: I understand my hon. Friend's concerns, but we in central Government have options, and I will describe them to her now. Central Government obviously have in their armoury the nuclear option of complete intervention, but we are loth to deploy it, particularly in situations—such as this one, I have to say—where it appears that the local authority concerned is going through due process. Let me try to make my case.

As my hon. Friend is aware, Dudley council is currently exploring options in respect of the future of the Broadfield House museum and the proposal to move its glass collection to the Red House Glass Cone museum. Dudley council strongly believes that the facilities at the Red House Glass Cone museum and the large number of visitors it attracts—well over double the number that the Broadfield House museum currently attracts—make it better placed to showcase the borough's important glass collection for the community. That is why the council has commissioned a feasibility study to look into this proposal in more depth.

I understand that, as my hon. Friend has outlined so clearly, local feeling does not reflect as much confidence in this decision as the council would like. That is why central Government welcome the feasibility study, and the fact that consultants have been appointed. The first phase of this process—an options appraisal—will be completed by the beginning of August, and I am told that the full report is due to be ready by 26 October.

Lynda Waltho: I understand that my hon. Friend is working from information gathered by people who are not from Stourbridge or who do not understand the local conditions. The Red House Glass Cone site is very small, whereas the Stourbridge glass collection is vast. I am no expert, but I know about putting things in rooms and I can tell her that there is no way that that collection will ever be able to be displayed in the Red House Glass Cone; it is fantastic, but it is not suitable for this collection—and it is falling down.

Barbara Follett: I have taken my hon. Friend's concerns on board, which is why I asked the Museums, Libraries and Archives Council—the MLA—to go to Stourbridge to meet local stakeholders, including her, and to visit the Red House Glass Cone museum. I wanted to establish whether it could house the Stourbridge collection and whether the MLA, the statutory advisor to central Government, thought it was suitable. I shall cover its reactions as I get further into my speech.

As my hon. Friend has stated so clearly, local people do not believe that this proposal is the correct solution. Dudley metropolitan borough council has assured my officials and the MLA that if the Broadfield House museum does close, the money received from the sale of Broadfield House will be used to extend the Red House Glass Cone museum and make it more suitable to hold the collection. The council has also assured my officials that staff will be redeployed, either at the Red House Glass Cone museum or elsewhere, as part of the council's redeployment strategy.

Lynda Waltho: May I seek a further point of clarification? Is my hon. Friend talking about the proceeds of the disposal of the whole Broadfield site, which covers a vast acreage? That sum would probably run into millions, and it would be fantastic to have it. However, we—or

rather, Dudley metropolitan borough council—could well be talking about just £120,000, which would perhaps replace some windows or allow a small extension; £120,000 would go nowhere.

Barbara Follett: I have been told that the capital receipts from the sale of Broadfield House would be used. I shall clarify for my hon. Friend exactly what that means in a letter. I take her point that if we are talking about the smaller amount of money that she has mentioned, I do not think that that would go far enough.

The feasibility study will examine the Broadfield House museum closure and the Red House Glass Cone museum proposal in depth. The council assures me that it will not make a decision until it has received the final report, and that no decision has yet been made. Since the future of Broadfield House museum and the Stourbridge glass collection has been brought to my attention, I have asked the Department's lead agency on the museums sector, the MLA, to work with Dudley metropolitan borough council to ensure the best outcome for the council and for the people of Dudley. Dudley Council welcomes the MLA's involvement, and both organisations have been working together to ensure that this feasibility study is robust, has a clear vision and takes into account the views of the local community.

As I have said, the MLA has met a range of interested parties, including my hon. Friend and the local glass bodies. The MLA believes that the feasibility study will be very thorough, including investigations into the issues that my hon. Friend has raised, such as security, display facilities, accessibility and other on-site facilities, as well as overall cost-effectiveness. The MLA's chief executive recently visited the Red House Glass Cone site and, like my hon. Friend, described the museum as remarkable. He believes that it would be possible to extend the displays and interpretation by including collections from Broadfield.

As my hon. Friend will know, the MLA has developed a real capacity to engage in local issues and to forge good relationships across the sector. Its ground-breaking renaissance in the regions programme aims to transform England's local museums by using funding from the Government to raise standards and deliver real results in support of education, learning, community development and economic regeneration. The programme has had investment of £242 million since 2002, and it is beginning to make our museums great centres of life and learning, which people want to visit. I want to ensure that that is the case in Dudley, too.

I assure my hon. Friend that although the Government cannot intervene directly in this matter, I am watching progress very closely. I have met with the MLA's chief executive and spoken to him about it, and I am taking the whole matter very seriously.

Sir Patrick Cormack: May I stress that it is not only the people of Stourbridge but those of the whole region who regard this as an important collection? Will the Minister do all she can to ensure that whatever its precise location, the collection is kept together and on proper display, as it should be—not closed up for years? If she will give us that assurance, it will be as welcome in my constituency as in that of the hon. Member for Stourbridge (Lynda Waltho).

Barbara Follett: I thank the hon. Gentleman, and I understand his concern. I have made it the central plank of my time as Minister for the arts to ensure that we democratise our arts and our culture. In other words, I want to ensure that we do not keep arts and culture locked away, that we keep collections together, that we make them available by whatever means we have at our disposal—such as making them available digitally—and that we let people get to them and see them as they ought to be seen. As quite a large section of my family worked in the china industry in parts of Staffordshire, I understand the value that people put on such collections. I understand the historical value of holding them together. I assure him that I will do all I can to ensure that they are preserved.

As I have said, I understand the concerns of my hon. Friend the Member for Stourbridge and of the hon. Member for South Staffordshire (Sir Patrick Cormack) about the preservation of the history and heritage of Stourbridge. I hope, therefore, that Dudley council will not take risks with the collection, which is so precious to the people of Stourbridge and the surrounding county, and that it will not implement any unnecessary or hasty closures, especially of a local museum that is providing an excellent service. I hope, too, that the council will do all it can to work collaboratively with the local community, to listen to it and to resolve this situation.

Lynda Waltho: I am pleased by what my hon. Friend is saying and by her obvious commitment to the collection and to Broadfield House. She speaks about democratisation, but there is a worry that decisions are being made in secret. The Friends of Broadfield House is a collection of business people, artists and supporters, and they are world-renowned experts. Surely it would be sensible for them to be part of the feasibility study now, rather than being just another group to be consulted in October. That is a key point: we need to get the experts involved. I appreciate what my hon. Friend says about the MLA, but we need to get our local experts involved, too.

Barbara Follett: Again, convention constrains me in this case. My hon. Friend and her hon. Friends and colleagues are making the kind of representations that I would expect the people's representatives to make. I would expect Dudley council to hear these representations, because they are the expression of the people's will, and I hope that it pays attention to them. I hope that it makes a considered decision that leads to the best possible outcome for the potential of the museums in the area, that ensures that this treasure of a collection is made as accessible as possible to the local community, and that ensures that it is kept together.

Question put and agreed to.

6.21 pm

House adjourned.

House of Commons

Friday 19 June 2009

The House met at half-past Nine o'clock

PRAYERS

The Second Deputy Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Mike Penning (Hemel Hempstead) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House divided: Ayes 0, Noes 45.

Division No. 154] **[9.34 am**

AYES

Tellers for the Ayes:
Mike Penning and
Mr. Tim Boswell

NOES

Austin, Mr. Ian
Baldry, Tony
Baron, Mr. John
Borrow, Mr. David S.
Bottomley, Peter
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bryant, Chris
Burns, Mr. Simon
Chope, Mr. Christopher
Coaker, Mr. Vernon
Cormack, Sir Patrick
Crabb, Mr. Stephen
Cunningham, Mr. Jim
Fallon, Mr. Michael
Fitzpatrick, Jim
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Harper, Mr. Mark
Howarth, David
Jones, Mr. Kevan
Keeley, Barbara
Keen, Ann
Kirkbride, Miss Julie
Lammy, rh Mr. David
Mackay, rh Mr. Andrew
Mann, John
Mates, rh Mr. Michael
McCarthy-Fry, Sarah
McIntosh, Miss Anne
Milton, Anne
Mole, Chris
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Osborne, Mr. George
Rosindell, Andrew
Ruddock, Joan
Shaw, Jonathan
Simmonds, Mark
Skinner, Mr. Dennis
Swayne, Mr. Desmond
Thomas, Mr. Gareth
Ward, Claire

Tellers for the Noes:
Mr. Dave Watts and
Kerry McCarthy

Question accordingly negatived.

Autism Bill

Consideration of Bill, as amended in the Public Bill Committee.

Third Reading

9.45 am

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I beg to move, That the Bill be now read the Third time.

Mr. Deputy Speaker, I cannot tell you how delighted I am to move Third Reading. Reaching this stage is a landmark, and our having done so is due not only to me, as the Member who had the privilege of promoting the Bill, but to the House of Commons at its very best. This has truly been a cross-party effort involving those on the Conservative, Government and Liberal Democrat Benches, and I am delighted that Members of Parliament have come together to try to introduce a Bill which we hope will make a great difference to so many people's lives throughout our country.

The hon. Member for Portsmouth, North (Sarah McCarthy-Fry) is in her place, although she is no longer responsible for part of the subject area that the Bill covers. I am grateful for the attention to detail that she showed, and for her undertakings in her previous role, to which I shall refer later. She has rapidly moved through the ranks and ended up at the Treasury through sad circumstances, but I know that her competence will be put to good use in that Department and I am sure that hon. Members of all parties wish her well, not least because of the detailed attention she gave the Bill.

Mike Penning (Hemel Hempstead) (Con): Before my hon. Friend praises more Members from across the House, may I pay tribute to her work in taking the Bill through its passage—something which is, as she said, a tribute to the House? She has followed on from the fantastic work of my hon. Friend the Member for Tiverton and Honiton (Angela Browning), who previously promoted such a measure. The work of my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) in bringing proceedings to an excellent conclusion should be acknowledged on the record.

Mrs. Gillan: I am grateful to my hon. Friend for his generous remarks, but it really has been a team effort.

Mr. Tim Boswell (Daventry) (Con): The congratulations expressed to my hon. Friend, as well as to my hon. Friend the Member for Tiverton and Honiton (Angela Browning) and to Government Front Benchers, are well deserved. However, will she reflect on the fact that, although we can legislate here—that is what we do—introducing mere legislation, even with all-party and Government support, to issue guidance is insufficient in itself? Implementation is critical, especially in respect of training and promoting awareness in a community beyond those who directly care for people on the autism spectrum. That is hugely important—perhaps she will comment on it—because unless people understand what is involved, they will act insensitively and many of the advantages that we are trying to secure today will be lost.

Mrs. Gillan: My hon. Friend is right. I refer him to clause 2(5)(f), which specifically covers

"the training of staff who provide relevant services to adults with such conditions"

[Mrs. Gillan]

in the guidance that the Secretary of State issues. That provision is included for the reasons that my hon. Friend outlined.

I pay great tribute to the Minister of State, Department of Health, the hon. Member for Corby (Phil Hope). He is not with us today because he has a vital duty to perform in his constituency, so I am delighted that the Under-Secretary of State for Health, the hon. Member for Brentford and Isleworth (Ann Keen), is here. I am sure that she will do an excellent job today. The Minister of State did not start off entirely supporting the Bill, but, my goodness, he has got behind it. He has done a first-class job in his current ministerial position, which I am glad he continues to hold, because I hope that he will supervise the legislation, if we are fortunate enough to get it through the House today and through the other place in due course.

The Bill has the potential to deliver the crucial improvements needed for the approximately 500,000 people with autism in the UK, who have been neglected for so long. It is the culmination of a great deal of work by many people. The effort that has gone into the Bill is a testament not only to the determination and dedication of many of my colleagues in the House, on a cross-party basis, but to a large number of people outside. I have paid tribute to those people in previous speeches, so perhaps they will forgive me if I do not name them today, but the National Autistic Society and all the other charities that have been involved have done a first-class job on behalf of the group that they represent.

I would like also to thank the Members who supported the Bill and those who served on the Public Bill Committee, which shows what we can achieve when we work together. Lastly, before I get to the substance of the Bill, I would like again to thank my hon. Friend the Member for Tiverton and Honiton, who has been a champion on the issue. The Bill builds on her earlier ten-minute Bill and—to sound just a small sour note—resulted also from the Government's failure to respond or to fulfil their promises on autism in the past. To be truthful, the Bill is really her Bill, which, because I won a lottery, I have been fortunate enough to present.

Autism was long overdue serious consideration, as outcomes for both children and adults were consistently so much poorer than those for people who do not have autism. A recent report by the NAS found that 40 per cent. of children with autism had been bullied, that 27 per cent. had been excluded from school and that 42 per cent. reported that they had no friends. In addition, 70 per cent. had a psychiatric condition accompanying their autism. For adults, the picture is even bleaker. The NAS estimates that 63 per cent. of adults with autism do not receive enough support, while 82 per cent. of parents or carers of adults with autism say that their child needs daily support just to live independently. Only 15 per cent. of adults with autism are in full-time work and 75 per cent. do not have any friends or find it very hard to make friends, while 40 per cent. of adults with autism still live with their parents. We currently fail both children and adults with autism in this country.

Mr. John Baron (Billericay) (Con): I am sure that my hon. Friend would also agree that there is grave concern among parents of children and adults with autism. The same report to which she has referred suggests that 90 per cent. of parents worry greatly about how their children will survive and cope in society when they leave school or university, particularly given the statistic, which she rightly pointed out, that only 15 per cent. of adults with autism are in full-time work.

Mrs. Gillan: That is absolutely correct: the figure is 15 per cent. However, as my hon. Friend knows, and as I know from meeting many adults with autism, their potential is far greater than that. With a small amount of assistance and the correct support, we can allow them to fulfil their potential and live their lives. That is what we should be doing in this country. I hope that the Bill, if it becomes an Act, will give this and future Governments a framework to concentrate on what needs to be provided to that very deserving group of people.

Angela Browning (Tiverton and Honiton) (Con): Following on from that point, it is true that parents worry about their children's education and ability to live independently, as they go through the various developments and cycles of life. However, as a parent, I think—I hope that I would speak for many parents—that the biggest fear is: "What happens when I die?" That has to be addressed.

Mrs. Gillan: That is probably the most moving part of my encounters with families with children who have autism. The terrible fear of someone who has a child with a disability of any sort is about what will happen to that child when they are no longer around to give it the sustenance that it needs. That is why I hope that this framework legislation will provide a platform from which Governments can ensure that local authorities and other services are structured in such a way as to give greater reassurance to people in that situation.

Liz Blackman (Erewash) (Lab): Does the hon. Lady not also agree that it is people with high-functioning autism who are the most hidden from services and that their parents have a great deal more to worry about? If someone has classic autism, it is blatantly obvious. We might argue about the quality of the services for them, but at least they have been identified. That is why it is so important that the Bill translates into reality.

Mrs. Gillan: The hon. Lady makes an excellent point. The problem is like an iceberg: we can see the tip, but we cannot see the vast swathe underneath. If people do not have immediate parental back-up, they will at some stage reach a crisis. So many commentators outwith this House are preoccupied with expenses and money, but perhaps they would like also to register the fact that unless we make that help available, it will cost the taxpayer a great deal more money to deal with those individuals in crisis. I count the cost in human terms and think what a loss to our society it would be if an individual did not receive the support that would enable them to fulfil their potential when their parents are no longer there.

Autism does not really fit in with many of the structures, and certainly not with local authority service structures. The problem is exacerbated by a lack of understanding of autism among the health and community care professionals, particularly those providing assessments. The resulting exclusion from services can result in an

increase in support needs in the long term, with 33 per cent. of adults having developed mental health problems because of a lack of access to services.

Hon. Members who are familiar with the Bill will see that it has gone through quite a metamorphosis since Second Reading. I want briefly to set out why and how it has changed. When the Bill was first introduced, it required local authorities and their partners to take a strategic approach to meeting the current and future needs of children and adults with autism in their areas. Following the strong commitments and the undertakings on data collection and provision for children given by the hon. Member for Portsmouth, North when she was a Minister with responsibility for schools and learners, the clauses relating to children were removed from the Bill. She made commitments on behalf of the Government, including one to amend the children and young people's plans—the CYPPs, the key strategic planning tools for local authorities—in the Apprenticeships, Skills, Children and Learning Bill.

There will now be a new legal duty to ensure that local areas collate and share data on disabled children as part of their CYPP needs assessments, and they will also include children with autism in their plans for children's services. I hope that the Minister will nod at me—I know that convention means that she cannot intervene, but she made a bold commitment on ensuring that the statutory guidance accompanying the regulations will state that autism must be specified as a separate category. I look forward to seeing those provisions enacted later this year in a separate piece of legislation.

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry) *indicated assent.*

The Parliamentary Under-Secretary of State for Health (Ann Keen) *indicated assent.*

Mrs. Gillan: I see both Ministers nodding, which I will take as confirmation of what will be going through.

In debates, and in meetings with Ministers and officials, I was pleased to achieve a broad consensus on the need for legislation and further action, so that people with autism receive the quality of support that they deserve. The clauses relating to adults now look quite different from those in the original drafting, but they are completely in keeping with the spirit of the original Bill and in many instances go well beyond what was covered in the first draft. The statutory guidance covers all the crucial parts, including—I am pleased to say this, because there was a strong feeling among the charities supporting the Bill that these things needed to be included—access to diagnosis, needs assessments, transition planning, strategic planning of support services with adults with autism, and local partnership and co-operation.

The Bill now places a duty on the Secretary of State to introduce a strategy for improving outcomes for adults with autism, accompanied by statutory guidance for local authorities and NHS bodies. If the Bill becomes law, it will be a catalyst for huge progress in meeting the needs of the country's adults with autism. The NAS and other partner organisations, such as TreeHouse, that have been involved with the Bill have been pleased with this positive approach, and have warmly welcomed the new, amended Bill that I am presenting today on Third Reading.

I have a few remaining concerns, however, on which I should like to seek reassurance from the Minister, together with any further details that she might be able to give me, especially on implementation, which will be the next stage if the Bill becomes an Act. The first issue relates to data collection. The Minister has recognised the importance of data collection to enable organisations to identify and meet the needs of people with autism. Given that the National Audit Office's recent report on autism found that identifying and supporting people with Asperger's syndrome or high-functioning autism would save the public purse many millions, I would be grateful if she could reassure me that the proactive measures needed to identify those adults will be put in place, and that those measures will not have to rely purely on making better use of existing data. In addition, I would like reassurance that a particular focus will be placed on identifying adults with Asperger's syndrome who are not already known to the services. Will she also confirm that the definition of people on the autistic spectrum will specifically include those with high-functioning autism and Asperger's syndrome?

The second issue relates to strategic planning and joint strategic needs assessments, or JSNAs—hardly a snappy title that rolls off the tongue. These are the key strategic planning tools for the local authorities, but at the moment, more than two thirds of local authorities have no commissioning strategy at all for adults with autism, and only 21 per cent. of all JSNAs include any mention of the needs of people with autism. Can the Minister reassure me that the statutory guidance will specify that JSNAs have to take into account the needs of people with autism?

Another concern relates to identifying which professionals are relevant to autism. The Bill covers all health and social care staff, and that is welcome. However, other staff who play a large part in supporting adults with autism are not covered—notably those involved with employment matters, including Jobcentre Plus staff. Will the Minister confirm that professionals who have a particular responsibility for supporting adults with disabilities will receive an appropriate level of training, be it in the field of social care, employment support or another relevant field? I think I see the Minister nodding. That would go a long way towards reassuring people that, at last, the real needs of people with autism were beginning to be considered across all levels.

David Howarth (Cambridge) (LD): I congratulate the hon. Lady on getting this far with her excellent Bill. I have one small concern about coverage, to which I hope she and the Minister will be able to respond. It relates to housing. The definition of a local authority in the Bill rightly refers to the upper tier, which is the tier that deals with social services. However, I have come across many problems in my constituency involving the housing needs of people—especially adults—with autism. In a two-tier area, housing is dealt with by the lower tier—the district council. I would like some reassurance that planning for housing will also be part of the process.

Mrs. Gillan: That is a very valid point; I have come across that issue as well. I hope that the Minister will be able to give us that assurance, because an indication of that intention at this stage would ensure that that issue was encompassed by the Bill.

Dr. Andrew Murrison (Westbury) (Con): I congratulate my hon. Friend on the Bill; it represents a positive step forward. I, too, am concerned about coverage. Those who work in further education make a big contribution in this regard, and I suspect that, in the old days, such provision would have been covered by the Bill, because FE came under the remit of local government. That is no longer the case now that its funding comes from the Learning and Skills Council, whose many problems we have heard about in recent months. Does she feel that FE should be covered by her Bill? Perhaps it is, and I have missed it. It would certainly be a serious omission if it were not.

Mrs. Gillan: My hon. Friend raises a point that has gone through my mind, but this is not an all-encompassing, catch-all Bill. I am afraid that there are lots of areas not covered by the Bill that, in an ideal world, I would have liked to cover. Unless my interpretation of my own legislation is incorrect, I do not believe that further education is specifically covered in the Bill. However, there is a possibility that the Minister may address the matter, because access to education and skills is extremely important for any adult with autism. Indeed, one of the major problems that we are seeking to address is the transition from childhood to adulthood, alongside trying to identify that swathe of individuals hidden under the surface who fail to get any help or support at all. I hope that the Minister will be able to address these points. I suspect that if I had attempted to introduce an all-encompassing piece of legislation, it might not have got as far as this stage.

I was talking about the statutory guidance, which covers the assessment of the needs of adults with autism. This represents a crucial step forward, as a proper needs assessment by suitably qualified professionals is the gateway to appropriate and effective support. I would like some reassurance from the Minister that the assessments will be person-centred—I do not like that term, but it does express the meaning—and that they will be carried out by professionals with an appropriate level of autism-specific training.

A vital part of the strategy's success will be the timing and scope of the consultation. The Minister of State, the hon. Member for Corby assured us that the dates announced were the latest ones, and that he expected the strategy and the guidance to be issued much sooner than the timetable indicated. I am aware, however, that they will be staggered, and not released in tandem. Will the Minister outline in her speech the timetable for the publication of the documents? Ideally, there should not be too large a gap between the two publications. In addition, will she assure me that, if there is to be a separate consultation exercise for the statutory guidance, her Department will seek the views of all stakeholders, and not just local authorities and NHS bodies, as stated in the Bill?

Another issue of timing involves the review of the strategy, and the question whether it should be revised if it does not produce the intended results. In Committee, the Minister of State said that he did not wish to make a time commitment in relation to when such reviews might take place. His reasoning was fairly acceptable, but questions remain about what might trigger such a review. Will the Minister outline how the success of the strategy will be monitored, and what indicators would trigger a review?

Will the Minister also commit to naming an individual in the Department of Health with responsibility for the success or failure of the strategy? A clearly identified person in an official post covering this area would give the assurance that continuing attention will be paid to the outcomes for people with autism. One of the problems that the families of people with autism face is that, when they try to address an issue with a Government Department, they are unable to track down an individual with a title, a post or a name to whom they can direct their questions. Their case seems to disappear into a spongy area in the Department to be handled by whoever is the latest official to deal with it. I hope that the Minister will be able to give me some reassurance on that point.

Liz Blackman: I absolutely agree with the hon. Lady about having someone in the Department of Health with that specific responsibility. Will she pay tribute to the Department, however, for having such a dedicated person in place at the moment? Let us hope that that continues.

Mrs. Gillan: Absolutely. The hon. Lady's point is taken. The trouble is, however, that everything changes. I am looking for continuity, security and stability in this area, because a constant state of flux is good for neither man nor beast.

A further remaining concern relates to ensuring the commitment of all the relevant Departments. I am sure that the Minister will agree that joint working across the Departments is essential for achieving an effective strategy for people with autism. What measures does her Department intend to put in place to ensure, for example, that the Department for Work and Pensions plays a full and active part in developing and implementing the relevant parts of the autism strategy?

Finally, the ultimate success of the strategy and statutory guidance will depend not only on their content but on how well they are implemented, as my hon. Friend the Member for Daventry (Mr. Boswell) said. I would like the Minister to guarantee that the implementation plan will be consulted on as part of the strategy consultation; if not, will she outline the steps the Department would be prepared to take to develop the plan to ensure that it is robust and practical?

Adults with autism are much more likely to experience mental health problems, bullying and unemployment, and to be reliant on family or the state for support. We must put that right, so that the needs of people with autism receive proper attention. They deserve the legal footing that could flow from this legislation, not least to redress the position that has resulted in the outcomes of so many being so poor.

I realise that others might want to contribute to the debate, so I will draw my remarks to a close. Better data and information collection at the national and local level has an important part to play in improving outcomes, as does better access to diagnosis and support. If the Bill becomes law, the information collected under it will have the potential to improve our understanding of the support needs of adults with autism, to raise expectations on local services and to ensure that professionals who work with people with autism are properly trained to understand their problems.

To conclude, each and every person deserves the best possible chance to make the most of their talents and fulfil their potential, as I have said before, including people with autism. As was illustrated by the National Audit Office report, by not providing adequate support to people with autism, we are wasting not only large amounts of taxpayers' money, but human talent and lives. I hope that the Bill will act as a catalyst for change. I am very proud to have been able to continue other people's work and introduce this legislation by working with people across all sides of the political divide and in the best interests of our society and community.

When we are trying to do something that will affect so many people's lives and that shows the House of Commons at its best, I think it is a shame that there are no hordes of journalists in the Press Gallery here to see what the House really does for this country. I see a sole, single, lonely journalist up there, perhaps reporting on these matters. He is to be congratulated, and it is a great shame that more people outside the House do not concentrate on the good that we do as a group in it rather than on the subjects covered in newspapers today. I am proud to commend this Bill to the House.

10.12 am

Liz Blackman (Erewash) (Lab): I start by putting it on the record that I was wrong on Second Reading not to wish the Bill to go into Committee. I felt at that time that the strategy and process announced by the Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope) was correct—that we should just get on with it and move towards delivery as soon as possible. However, much water has passed under the bridge since 27 February, when the Bill had its lively, very knowledgeable and somewhat tetchy debate on Second Reading. The crux of the tetchiness was the point I have just made—about deciding the right way forward to achieve our common aims. Between then and 13 May, massive consensus broke out, and what we have before us now goes a very long way to meeting all our sincerest wishes. The Bill now goes further and is better than the original.

I hugely congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan). As my hon. Friend the Member for Burton (Mrs. Dean), chair of the all-party group said, we would not be here or have come so far, had the hon. Lady not chosen to introduce a private Member's Bill on autism. Behind the scenes, my hon. Friend played a vital part in discussions in progress. She is a modest person and would blush to hear it, but I pay tribute to her.

Mrs. Gillan: I omitted to mention the hon. Member for Burton (Mrs. Dean) in my speech, although I had her name written on my post-it notes. I apologise and would like to acknowledge the enormous amount of work that she did. I am sorry that she cannot be here today, but I know that she is busy in her constituency.

Liz Blackman: I also pay a huge tribute to the hon. Member for Tiverton and Honiton (Angela Browning) for her promotion of this cause. As I said on Second Reading, she was for many years a lone voice in the House, trying to improve services right across the spectrum. I also offer huge congratulations to the Minister of State on responding so comprehensively and enthusiastically to the challenge. It was a great moment when he moved the clauses in Committee.

I am pleased that the hon. Member for Chesham and Amersham decided that it was right to focus on the adult strategy and transition in this particular vehicle. I am also pleased that she has been reassured by the Department for Children, Schools and Families that it is committed to promoting and improving services for children. Nevertheless the statistics for the adult autistic community remain dire, shocking and stark, and that reflects variable practice, to say the least, and bleak prospects for so many. It is worth repeating those statistics: 63 per cent. of adults with autism say that their needs are not met; a third have mental health problems; 40 per cent. carry on living at home; and only 15 per cent. are in full-time work. Moreover, 67 per cent. of local authorities and 77 per cent. of primary care trusts do not collect data. It is scarcely surprising that the National Audit Office found that a good diagnosis, particularly of high-functioning autism, would save the taxpayer many millions. Equally unsurprising is its finding of the high level of frustration experienced in accessing services by so many adults with autism.

The key question—and the reason we are all here—is how we make our expectations translate into reality in order to secure improved services and improved outcomes for the autistic community. Well, as we know, the process has already begun irrespective of our disagreements along the way. We all endorse the practical framework set up to consult on the strategy—the external reference group, which reflects the range of stakeholders and is chaired by Mark Lever, the chief executive of the National Autistic Society.

Four main pillars have been identified: health; social inclusion, embracing employment, to which I will return; choice and control; and training. What makes the Bill so novel is its explicit requirement that the Government must produce a strategy. It requires the Government to improve services for adults and sets a clear time limit—1 April 2010, so I hope we do not meet it, as the expectation is that the strategy should be completed by the end of the year. The limit merely allows flexibility and will be kept under review.

The statutory guidance is to be consulted on and issued by 31 December 2010. We hope that the interval between the strategy and the guidance will be as small as we can make it, as the hon. Member for Chesham and Amersham said. The statutory guidance will apply to local authorities and NHS bodies—including mental health trusts, which is vital. We had an interesting debate in Committee on how binding the guidance will be on foundation trusts. Because of their autonomous nature, it will not be binding, but a primary care trust contracting with such a foundation trust will still need to ensure that its statutory duty is fulfilled through the commissioning process, so there are some safeguards in the system.

Clause 2 covers all the crucial points that we in the all-party group have argued for over many years. Improving these services will be a challenge. Diagnosis will have to be done by suitably qualified people, and it may need to be done, as the hon. Member for Tiverton and Honiton argued on Second Reading, out of area. Diagnosing high-functioning autism and Asperger's syndrome is

[Liz Blackman]

much more tricky and difficult than diagnosing classic autism. As I said, that group is often hidden from services.

The same applies to needs assessments. Transition planning of relevant services is vital, and I am pleased that the Bill includes that. The all-party group has just completed a report on transition and has made a number of recommendations to the Government. Some are more relevant to the Department for Children, Schools and Families, but many are relevant to other Departments, including the Department of Health.

One of the report's main recommendations is:

"Guidance should require Directors of Children's Services to maintain a database of the numbers of children with autism in their area and share this information with Adult Services."

I think that that commitment has already been made. It also recommends:

"Guidance should require that Directors of Children's Services and Directors of Adult Social Services co-operate to review and plan services for young people with autism on a regular basis, including those children with complex needs in out-of-authority placements.

The Government should extend the duty on local authorities to ensure that a multi-agency person-centred transition plan is developed for each pupil with autism who receives support at School Action Plus from the age of 14, in addition to those with a statement of SEN.

The disabled children's services national indicator (N154) should be extended and young people's views gathered in a survey so that there is a specific focus on transition against which local areas can be measured. Any future review of the local government performance framework should address the needs of disabled young people during transition to adulthood.

The Government's learning disability employment strategy should address the needs of young adults with autism, including Asperger syndrome, in line with Public Service Agreement 16."

Mr. David S. Borrow (South Ribble) (Lab): Does my hon. Friend share my concern about the difficulties that some young adults with autism face when, having settled into employment and sorted out their lives, a disruption in the workplace throws all the good work that has been done to the four corners of the earth? Stable, steady employment that could have gone on for several years, and the stable, steady life that would have existed for those years, can be lost because of a change of manager, or another change within the workplace, that disrupts the regular pattern. Young adults with autism find that particularly difficult to manage.

Liz Blackman: I agree. The culture of the workplace is a key factor in getting young people with autism into employment and keeping them there. It is a real challenge to shift that culture. I shall say more about employment in a moment.

There are four more recommendations on the report's list. I want to read them into the record because transition is a crucial process. If we get that right, we are far more likely to get adult services configured in a way that secures good outcomes. The report continues:

"The Government should ensure that all children with autism have opportunities to undertake meaningful work experience in Year 10.

The Government must ensure that disability support advisors at further education colleges and universities have autism training.

The Department for Work and Pensions should ensure that Connexions provide information to all young people with autism on Employment Support Allowance and Disability Living Allowance.

JobCentre Plus should ensure that all transition plans include young people's employment goals and outline the work support programmes available to them."

Those are all relevant recommendations, and I hope that the Government will give them serious consideration and implement them.

The hon. Member for Chesham and Amersham mentioned strategic planning. Some 74 per cent. of local authorities do not have a commissioning strategy for adults with autism. We are starting from an extremely low base, and that will be one of the biggest challenges to shifting the culture.

On training, I welcome the wider definition of relevant services caught by the National Health Service Act 2006 and the Local Authority Social Services Act 1970. Extending the definition's scope is helpful. However, 80 per cent. of GPs told the NAO that they need more training and only 29 per cent. of local authority staff who are responsible for needs assessment have training in high-functioning autism. As has been said, Department for Work and Pensions staff are not caught within the definition of relevant services.

On jobs, we cannot underestimate the importance of trying to support people with autism, in particular those with the high-functioning condition, in getting meaningful employment. Whether one has a disability or not, employment is crucial to how people live their lives and feel about themselves. It gives an immense feeling of self-worth. Jobcentre Plus staff are not covered by the definition of relevant services. In particular, disability employment advisers and personal advisers, and also health care professionals involved in work capability assessment, are not caught by it and are not required to have training. We need buy-in from all relevant Departments to make a difference. The DWP must take ownership of relevant parts of the strategy. I hope that the Minister will give us some comfort on how we are going to ensure that other Departments play their part.

Employment has to be a top priority. There are brilliant examples of young and older people with autism who have been happily placed and are settled in their work. I met a young woman at an event the other day. She has high-functioning autism but is immensely talented in IT. She works for BT, where she is supported extremely well, and told me about Goldman Sachs, which also does sterling work in embracing young people with such skills and in supporting them in the workplace. The shopping centre at Meadowhall in Sheffield has a good reputation for doing the same thing.

On local leadership, some time ago the all-party group took evidence from people in local authorities who had specific responsibility for autistic people's services. One individual—I think from the authority of Sussex; if I have got it wrong, I apologise—was incredibly good. He had seized the agenda by getting all the stakeholders together and making the system work. The services for adults in that authority were far better than in many others.

As I said on Second Reading, we can have a Bill, a strategy, statutory guidance and all the rest, but it will not make a ha'p'orth of difference if they are not implemented. Implementation is complex, but has to be

driven from the centre and from local leadership. We need to see sight of the implementation plan, sooner rather than later, in the strategy. The whole strategy needs rigorous, detailed monitoring.

Mrs. Gillan: Does the hon. Lady agree that it is not just the implementation that is important; it is also continuing the momentum in other Departments where there has been partial awareness of the strategy and partial implementation of it? One of the things that I have been hunting for in the NAO report is that since November 2005 the Department responsible for disability employment advisers, the DWP, has been taking on updated training so that the advisers are more aware of the needs of people with autism. The figures for Great Britain are that

"of around 500 full-time equivalent Disability Employment Advisors...275 have completed the updated training."

That is a good thing, but this is not only a question of implementation. We must also continue the momentum that has already started and been seeded in various Departments. That is as important as using legislation as a framework to drive things forward.

Liz Blackman: Absolutely, but it is all part of the same package: implementing something is a moving process and training is at the heart of that.

I am very proud to be speaking here today in support of a Bill which, if properly implemented, will make a huge difference to so many people and, crucially, their families and carers as well. I wish it well.

10.40 am

Angela Browning (Tiverton and Honiton) (Con): I begin by joining other speakers in thanking and paying tribute to the many Members from all parts of the House who have played their part in bringing this Bill to fruition as it receives its Third Reading today. I must also pay particular thanks to my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan), who is a true friend to me. She has worked tirelessly on this subject. She chose it, having finished No. 1 in the private Member's Bill ballot; I have been a Member for almost 18 years, and I have never even got into the top 20, so she was right when she said she felt as though she had won a lottery. She could have chosen many other subjects, but she chose to promote a Bill on autism. I believe that she will be remembered for many great things in her parliamentary career, but this will certainly be one of her most memorable achievements. Its impact will be felt long after she has left the House, and it will benefit many people and their families.

I also want to pay tribute to the two Ministers who have brought the Bill through to this stage. Although it was a battle in the beginning, it turned out all right in the end—and it turned out better as a result. There was cross-party support and Members from different parties worked with each other, and although there were some tough negotiations—as my hon. Friend knows only too well because she was part of them—there was also good will and a desire to do something good. I am sure we have achieved that in this Bill.

I shall try today to break a personal record by making a shorter speech on autism than I have made before—the House will be relieved to hear that—but as the Minister is in her place I want to flag up a few key points. The National Audit Office report came before the Public Accounts Committee on Monday, and three Departments were represented at the session. I requested for them all to be asked to come back and report on progress in a year's time, because there is a lot of compatibility between the NAO report and what the Bill intends to achieve. Having listened to the three departmental representatives, who included a permanent secretary, I now think that the Department for Work and Pensions has a long way to go to get up to speed. I will not go through all the issues that were addressed as we discussed them in Committee, but I must stress that getting people into training and employment is essential.

The hon. Member for Erewash (Liz Blackman) has been a great advocate in this House for the need to address the autistic spectrum, and I congratulate her on the work she has done over many years. She said she thought I was a lone voice, but when she joined the House I did not feel that I was alone any more. It is good that so many MPs now not only talk about autism, but are able to handle constituency casework in a way that makes a difference for people with autism. The hon. Lady made the point that when we see that done well—and it gladdens the heart to see it done well—it seems simple to do, and that that is how it should be done everywhere. The PAC listened to the three speakers at the session we held on Monday afternoon, and there was a noticeable change in view: not only was there understanding, but there was a recognition that we must implement the changes being proposed.

I want to raise three points. The first of them is about the statementing process for children in education. We must be very careful that statementing in relation to autism does not neglect those children on the autistic spectrum who do not have a statement of educational needs. There are many of them and, over recent years, the statementing process itself has changed and the criteria have changed, and the people on the more able end of the spectrum, particularly the Asperger's group, are less likely to be formally statemented, although their needs may be understood and known in the classroom. When people in that group enter the transitional period between leaving school and going into further education or training and ultimately—we hope—into employment, it is important that they are not excluded purely because they have not had the insurance policy of a statement and because there is a rationing system in place that addresses only those with a statement of educational needs.

John Bercow (Buckingham) (Con): First, may I apologise for my tardiness in coming to the Chamber this morning? What my hon. Friend says is absolutely right, and does she agree that it is not only a question of children without statements but who are on the spectrum—perhaps with Asperger's—being vulnerable, but that there is a very real sense in which they can be more vulnerable than anyone else for precisely the reason that she offers: that they do not have what she calls an insurance policy and what I call the comfort blanket or safety valve of a statement? My son is on the spectrum. He has high-functioning autism and he is very fortunate to have a statement, but I have lost count of the number of children I know who are similar to him but who do not have that protection.

Angela Browning: My hon. Friend has devoted a lot of time to, and developed a lot of expertise in, this topic and related subjects, and he is absolutely right. It is very important that the practical application of what we are legislating for today does not lead to silos being created and to the exclusion of the very people who need help the most, but who are not able to articulate that.

The second issue that I want to flag up is to do with social services assessments. I shall be writing yet again to Devon county council this week—I have lost count of how many times I have written to it about this—because yet again a social worker has told a mother, "We cannot assess or do anything for your Asperger's child because they probably have an IQ of over 70." The mother has now pursued the council to such an extent that it is going to do an IQ test. However, if the council finds that the IQ is over 70, which for an Asperger's child it probably will be, that will be its get-out clause for saying, "Sorry, not learning disabled, so we can't do anything." Department of Health circulars have been issued telling people not to exclude Asperger's children in this way. I have a copy, which I shall send to Devon county council. I shall also send it the text that the permanent secretary at the Department of Health gave to the PAC on Monday afternoon, showing that that is not how councils are meant to treat Asperger's children. Somehow, however, when such circulars get sent out, they end up getting put in a filing cabinet and, conveniently, the information does not trickle down to the practitioners on the ground: the social workers, the educational psychologists and so forth. For some reason, they are unaware of this advice. I will deal with Devon county council, but—

John Bercow: I would rather be on your side!

Angela Browning: I am grateful to my hon. Friend for that remark. I am so weary of having to keep writing the same thing over and again. I ask this of the Minister: when the new information goes out, which will be after I have retired from this place, will she please make sure that it does not fall victim to what I call "the filing cabinet syndrome" so that it never sees the light of day, because that involves a great disservice.

I made a final point on Monday to the permanent secretary at the Department of Health, but I will repeat it now. I have raised two separate debates particularly about Asperger's syndrome and mental health services. We know—my hon. Friend the Member for Chesham and Amersham gave the statistics—that the whole spectrum of autism, including Asperger's syndrome, is not of itself a mental health disorder, but people with Asperger's can develop mental health problems. After all, if any of us had that syndrome and we had struggled to be like everybody else in society—to make friendships, to form relationships, to get a job, to cope independently with life and to communicate with people, because it is a communication disorder—and by the time we reached our early 20s we got nowhere, we would all develop very serious depression and mental health disorders. Such a development is quite common and, as has been expressed, it arises because of a lack of basic facilities and support. Some of the support required is fairly low budget; the National Audit Office report shows how spending a little can save a lot. The problem is that a bit of spending in one Department may mean that a lot is saved in another Department, so inter-departmental interests emerge—again, we are talking about the silo effect.

If we are to serve this population properly, we need to ensure that when they need mental health services, they not only get the right ones but they are supported so that they do not end up with a mental health problem on top of the autism. Once those two things become entwined, it can be difficult to find a psychiatrist who can actually unravel what is a mental health symptom and disorder from what is Asperger's behaviour in crisis. Very few people in this country can disaggregate the two behaviours and not only diagnose them, but, if necessary, medicate appropriately for them.

I have been involved in two debates in this House on people who fall foul of mental health. When they fall foul of mental health, all too often—these are not rare occasions—people with autism, particularly Asperger's syndrome, are misdiagnosed with conditions such as schizophrenia and are then medicated for schizophrenia, but the medication does not work. Why would it work for someone who does not have the condition? Such people work their way down through a catalogue of different, very strong drugs, trying them out to see whether they have an effect. By the time they reach drug number five, their brain is scrambled. I have seen at first hand the results of what happens when artistic people with high IQs, who at one time could do the most wonderful paintings, are misdiagnosed and drugged with five highly powerful drugs—they end up with scrambled brains; I can give no other description.

As I have said before—this will probably be the last time that I say this in this House—if a cardiologist misdiagnosed someone's heart condition and misprescribed in that way, they would be sued, and it is outrageous that this country's mental health services, particularly those in the provinces, away from the centres of excellence in the bigger cities and towns, have not got the expertise to treat people with autism not only with dignity, but in a way in which they deserve to be treated. I say to the Minister that I hope that the outcomes and the practical application of this Bill will ensure that we do not treat people with autism like that any more—it is criminal; there is no other word for it.

I am grateful to the House for this opportunity to speak, and I look forward to seeing in practice, out there among the autistic community, the outcome of this wonderful Bill.

10.43 am

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan) on introducing the Bill, on the vast amount of detailed work that she has undertaken and, in particular, on her tenacity. Excellent joint working has been done across the parties and with the Government, and she has brought certain skills to that: her good humour, her diplomacy, her negotiating skills and much more. All that has brought us to the point that we have reached today.

I also congratulate the hon. Member for Tiverton and Honiton (Angela Browning), who has obviously made an enormous contribution. It began long before I joined this House, but I have been very much aware of what she has done. In addition, she has been connected with quite an important organisation that serves my constituency, although it is not located within it: the Wessex Autistic Society. It is a great honour to follow

her. She has brought reality to what we are discussing today and shown us just how serious some of the shortcomings are in the services for children and adults with autism. We are aware of those shortcomings and we have lots of statistics on them, but by talking about the misdiagnoses and what actually happens—the breaking up of people into little bits—we identify what we are about today: we are trying to remedy that situation.

The Liberal Democrats supported the Bill on Second Reading and made it clear that we wanted to have further discussions in Committee. We wanted to do everything we could to support that process, as we felt it could only be beneficial. We did not want to rely just on the Government's promises, although I am sure that the motivations behind those were good. We needed to ensure that the Bill had more bite in order to ensure that we made progress.

I also congratulate the hon. Member for Erewash (Liz Blackman), who was gracious in expressing that we are rather pleased with this Bill—that is important. Although I played a very small part, I will have some pride in it if we are able to say that we have really changed matters. I congratulate the Ministers who have been involved, because a great deal of work has been done to reach this position, and the large number of organisations that have been involved—I should at least mention the National Autistic Society. I am sorry that I only managed to attend two Committee sittings out of three. The one that I missed was the crucial one, but I have, of course, read the *Hansard* record in great detail so I hope that I am fully au fait with everything. That was a very important sitting and involved the unusual situation where the promoter of the Bill proposed that her clauses be deleted and replaced by Government clauses.

John Bercow: The hon. Lady has rightly paid gracious tribute to the NAS. I am always conscious that there are unsung heroes and heroines who are actively working and deploying all their skills behind the scenes to secure our objectives. Therefore, rather than confine myself to paying tribute to the NAS, I am inclined to invite her to pay particular tribute to its chief executive, Mark Lever, to Amanda Batten, to Beth Reid and, last but by no means least, because she is a precocious talent, to Ellen Broomé.

Annette Brooke: I thank the hon. Gentleman for his intervention; I am very pleased to support it, although I am rather conscious of all the people whom we are not mentioning. Thus, I shall not go too far along that line, except to say that my unsung heroes include the support groups that I meet in my constituency, one of which is for adults with autism and Asperger's and another of which is for parents whose children are at school and have such conditions. Their needs are very different, and that brings home to people the real battle that parents have all the way along the line. I wish to echo the earlier point that parents' greatest fear is what will happen when they die—that never fails to touch my heart—and we know that we have to make things better for that reason.

May I return to the new structure of the Bill? I think that I shall refer to this Bill—and later, to the Act—many times, because it contains a great deal of detail. I have been told so many times that a certain thing is not suitable to go in a Bill when the discussion has been of what the guidance should include, but this Bill creates a precedent that will be incredibly useful across the board. I give notice of the fact that next time I am on a Committee I shall have this Bill in my pocket, because it is excellent. It is just what we need on this particular subject.

Undoubtedly, the Bill has been a catalyst for the Government introducing their raft of proposals, and today we have the opportunity to put those proposals on a statutory basis. Most of my time in Parliament is spent talking about children, so I just wish to refer briefly to children with autism before I get on to discussing what is now the main part of the Bill. I was pleased when early on the Government committed to amending the children and young people's plans through the Apprenticeships, Skills, Children and Learning Bill, which placed a new legal duty to ensure that local areas collate and share data on disabled children as part of their CYPP needs assessment and include children with autism in their plans for children's services. We also have a commitment that the statutory guidance that accompanies the regulations will state that autism must be specified as a specific category. The announcement of further funding for the Autism Education Trust to improve services commissioning is also welcome. All those commitments go beyond what the original Bill covered, and are very pleasing. Although the Bill is a big step forward, there is much more to be done, and much to be improved, in children's services. We know from the parents we talk to about the gaps that remain, and the situation must be reviewed and monitored.

Children's services have improved over the years, but the situation remains dire for transition and adult services, with woeful gaps. It is so important that we have reached this point today, and at least made a start in addressing the dreadful gap in services. I was pleased to serve on the cross-party panel of MPs that was established to conduct hearings on services for disabled children. What we heard, loudly and clearly, was that parents felt that they had got through the school years only to have to start all over again with the transition to adult services. We heard again and again that successful transitions could be achieved only by parents literally screaming for the services that they needed.

The problems include inadequacy of transition planning, lack of communication between children's and adult services, and a lack of co-ordination between different services and agencies. We have referred to the National Audit Office report, and I wish to cite more statistics from it. A quarter of parents surveyed in 2006 felt that transition support was co-ordinated. In other words, 75 per cent. did not think so. Only one in three parents felt that Connexions' knowledge of autism was adequate.

The lack of assurance of support when a statement comes to an end has been a problem for so long. We know where the gaps are and what is needed. We know that we need multi-agency assessment at the right time, transition plans to be developed with families, and appropriate goals set.

I add my congratulations to the hon. Member for Burton (Mrs. Dean), which I hope the hon. Member for Erewash will take on board, and the all-party parliamentary group on autism on its recently published inquiry and report on transition into adulthood by young people on the autism spectrum. The key points identified include effective and timely planning; realistic but stretching

[Annette Brooke]

expectations; the need to enable young people to reach their full potential, because we have had too much waste in our society for so long; effective joint working across services; and a key contact. I am very keen on the latter point, because when parents and young adults are engaging with a raft of services they need to have just one person to talk to and to liaise with. Other key points include furthering the understanding of autism by training for all professionals involved; accessible information for young people and their families; and appropriate funding. The key recommendations from that report and inquiry will be timely for the consultation on the strategy and the statutory guidance on the Bill.

The amended Bill will put a duty on the Secretary of State to introduce a strategy for improving outcomes for adults with autism, accompanied by statutory guidance for local authorities and NHS bodies. It will provide a huge opportunity for progress in meeting the needs of adults with autism. The new clause goes beyond what was originally proposed, and the statutory guidance will cover all the crucial aspects, including access to diagnosis; needs assessments; transition planning; strategic planning of support services for adults with autism; and local partnership and co-operation.

On diagnostic services, I recently received a representation from a unitary council in the south-west. It said that in the council's area

"there is no diagnostic service for adults with autism/autistic spectrum. This means they are unable to access any services and support they might be entitled to and this should be seen as Disability Discrimination. These people, even if high functioning, are most likely to fall under the category of Vulnerable Adults. The only way to achieve a diagnosis/assessment locally is to go privately – which may be unachievable due to financial constraints".

Many families may be unable to take that step—

David Howarth: Similar situations occur in many parts of the country. Even in Cambridge, where one would expect a higher level of service, many parents find that the only way in which they can get a diagnosis is to take part in academic research projects. That should not be how it works.

Annette Brooke: I thank my hon. Friend for that intervention, and that is why I am so pleased to see the level of detail in the Bill. The changes that need to take place will not come about without the detail that I mentioned earlier.

On the issue of data collection, the National Autistic Society survey found that 67 per cent. of local authorities and 77 per cent. of primary care trusts do not collect any data on adults with autism. It is clearly a crucial starting point to determine the scale of the problem. I concur with the hon. Member for Chesham and Amersham that we need to be sure that we go the whole way—that we do not just work with the people we know about, but reach out and identify those who have not been identified before.

I read with interest the references in the Committee *Hansard* to section 7 of the Local Authority Social Services Act 1970, and the hon. Member for Tiverton and Honiton drew our attention to the fact that it was ineffective and not actually implemented. I congratulate the Minister, who clearly took that on board and adjusted the way in which the guidance should be applied to NHS authorities. That struck me as a landmark in the debate.

We have started the journey. We have the luggage and the map, but will we reach journey's end? It is such a long journey. The NAO found that 74 per cent. of local authorities do not have a commissioning strategy for adults. Some 80 per cent. of GPs told the NAO that they needed additional training and guidance. This is a huge problem and we must not underestimate how much needs doing. Training is necessary across the board.

Hon. Members have mentioned Jobcentre Plus, and it is my experience that even when a young adult is provided with a contact at Jobcentre Plus who is said to have had the relevant training, communication is still difficult—that is probably the politest way to put it—for whatever reason. I have seen some of the e-mails that have resulted, and the dissatisfaction. Communication is a two-way process, and it is difficult, but we need so much more training. We know that more young adults could be in work, and those who are not in work need to access benefits and not get into financial problems because their benefits have been cut off following their failure to fill the forms in on time. We also need cultural changes and the resources—we should not pretend that resources will not be necessary. As has been pointed out, some of the proposals in the Bill mean investing to save. Unfortunately, local finances do not always work like that, because the money is not available in the year when the investment is needed. I would like the Government to take that on board. There has to be longer-term financial planning for local authorities, health services and all others who are involved.

We have rightly raised expectations with this Bill, but as well as raising expectations and making these excellent proposals today, we all have a duty to continue to work on a cross-party basis at all levels of government and to encourage all relevant services to work together. We can do better and we must do better.

11 am

John Bercow (Buckingham) (Con): It is a pleasure and a privilege to follow the hon. Member for Mid-Dorset and North Poole (Annette Brooke), with whom I have been pleased to work as a co-conspirator for improved children's and young people's services for an appreciable period of time. Today is a very important day. It is one that we should mark, that we should celebrate and that we should regard as the springboard to greater things.

I begin my hopefully brief remarks by apologising again for my late arrival in the Chamber. I was detained in my office for a short period on other matters, but I certainly did not want to miss the opportunity to be present today.

Most of the substance of what is in the Bill has been covered and I do not think that it will benefit from further repetition. I want to say a few thank yous, and to underline what I think is important about the issue and this place. First, thanks, of course, are due to my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan), who has piloted the Bill through the House with the combination of eloquence, skill and patience for which she is renowned in all parts of the House. That was a considerable feat, because at first the

Government were not keen on the idea of the Bill. My hon. Friend, with good-humoured insistence, kept it up, pressed the case and would not take no for an answer. She was absolutely right to adopt that approach.

I want to pay tribute to the Government, too. I always felt that the Government had good intentions in this matter. I did not subscribe to the rather tedious, old-fashioned, boring and partisan view of some people that the Government were out to scupper the whole idea. The issue was about how to achieve the objective, not whether to do so. As someone who has worked with the hon. Members for Erewash (Liz Blackman), for Burton (Mrs. Dean) and the Under-Secretary of State, I know that the Government are serious about these matters and that they have done a considerable amount on the subject. That is an issue of public record.

It is obvious that, if we work together, we maximise the chance of progress. What is more, we do what the country expects us to do as Members of Parliament, which is to recognise when an issue has a salience and urgency that completely dwarf and diminish the significance of the partisan battle. People out there in the country who have an autistic child or know someone who does could not give a tinker's cuss whether it is a Labour Government who agree to the passage of such a Bill, a Conservative Administration, a hung Parliament or a grand coalition. Many of them, frankly, could not give a tinker's cuss about party politics at all. Even if they do, the significance of the issue is far more important to them.

Mrs. Gillan: It is such a shame that my hon. Friend was not here for the opening speeches, because I was able to make the point that this House has been acting at its best in a cross-party way. Had he been here, he would have been able to hear that. That has been the special thing about all the people who have been intimately involved with this Bill and who have personally made contributions to it.

John Bercow: I am extremely grateful to my hon. Friend and I would have greatly enjoyed hearing her speech. I have never doubted her commitment to work on a cross-party basis—after all, she was the one offering to do so. However, there are always cynics who do not necessarily think that it is a good idea. It makes sense and we have benefited from it.

As far as the media are concerned, and perhaps I can conclude on this point, I think it was the late Enoch Powell who said that politicians complaining about the media are like sailors complaining about the sea—it is a completely pointless and fruitless activity. Doubtless that is the case, but it is sad that when we work together in a concerted, principled and effective fashion it gets no attention or coverage. The media are just not interested. What a shame. They ought to be. We have done the right thing—

Mrs. Gillan: I said that in my speech.

John Bercow: My hon. Friend is saying from a sedentary position that she made all these points in her speech. I am sure that she did, with great eloquence. I have already explained why I was not here and have apologised for the fact. There is no harm in underlining the strength of opinion on this matter.

Liz Blackman: On that point, there is no harm in repeating that message several times in this Chamber.

John Bercow: I rather expected that the hon. Lady would be tolerant of and sympathetic to the point.

Let us go forward in a spirit of togetherness and determination to make things better. I think that we all agree that this subject is important. I sometimes make the point that politics is, in one sense—and perhaps only one sense—analogous to a market place. Just as in a market place, huge numbers of products compete for custom, so, in the field of politics, huge numbers of issues compete for attention and priority. On the basis that people of good will can fairly readily forge consensus about what needs to be done on the issue of autism, the challenge then is to catapult the issue from the back of opinion formers' and decision makers' minds to the forefront of their minds and, having so catapulted it, to keep it there. I think that my hon. Friend the Member for Chesham and Amersham and others have succeeded in achieving that objective today.

11.6 am

Anne Milton (Guildford) (Con): I was always aware of the danger that this morning's speeches would sound a little more like an Oscar ceremony than anything else, and I am afraid that I will only add to that. None the less, I say to my children and to my colleagues that when one does something well, one should be proud of it. It should be used as an opportunity to understand better how one can do things better in future. I therefore want to associate myself with all the comments made by my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan). This Bill has indeed shown Parliament at its cross-party best, sharing and joining together in a drive to improve the lives of people with autism. At a time when people are so angry with politicians, this Bill is not only a huge landmark for people with autism, their families and their communities, but might be a small chink of light for Parliament itself.

I also want to pay tribute to my hon. Friend the Member for Tiverton and Honiton (Angela Browning), who has been a voice on this matter for a long time—since long before I ever arrived in the House. I pay tribute to the all-party group, the National Autistic Society and many others, including Ministers. The Government, having originally resisted the Bill, have swung all their efforts behind it and have been remarkably and notably gracious in their retreat.

I want to take this opportunity to pay tribute to Surrey county council. It is one of those councils that everybody loves to hate, but it is cited in the Department of Health's consultation document as an example of good practice:

> "The County Autism Group and autism lead have developed a network of 80 ASC champions across services in all sectors in Surrey. These champions have six months' training and mentoring and then help cascade this training to their team. Champions are supported to network and share good practice across services. Assessment of this process showed that it had led to positive outcomes for individuals…In addition, the county group and autism lead have supported Surrey County Council and Surrey and Borders Foundation Trust to jointly develop an ASC training pathway with different levels of training for staff in different services."

[Anne Milton]

The danger today is that, having highlighted the huge lack of services and huge amount of unmet need, we will lose the small pockets—there are some—where there is good practice and where innovative approaches are being taken.

The hon. Member for Erewash (Liz Blackman), who openly admitted a change of mind, paid significant tribute to others, but I want to pay tribute to her for graciously changing her mind and throwing her weight behind the Bill. She referred to many statistics, and I will repeat some of them because they cannot be mentioned too often. There are more than half a million people with autism in the UK, and they struggle to gain access to the services they need. Outcomes for such people are extremely poor: only 15 per cent. of adults with autism are in full-time work, almost half still live with their parents, and more than a third have developed serious mental health problems. A lack of ready access to services has a huge impact, not only on them but on their families and carers. As many Members have said, the parents often worry about their children's future, when they will no longer be able to support them. Older parents carry around a huge burden, worrying what will happen to their children when they die.

Some 70 per cent. of children with autism have one additional psychiatric illness, and almost half have two or more. A quarter have self-harmed or have suicidal thoughts. If we look at the rise elsewhere in the number of children who self-harm, we see that the figure is likely to increase. The figures are truly shocking. If we spill out a load of figures, there is a danger that people will get figure-blind, and their eyes will glaze over. If we have any members of the press still sitting in the Press Gallery, I ask them to take note of some of the figures and to take them on board.

The Bill, as amended by the Government, puts a duty on the Secretary of State to introduce a strategy for improving outcomes for adults with autism, accompanied by statutory guidance for local authorities and NHS bodies. We hope that, if the Bill is passed, it will be a catalyst for huge progress in meeting the needs of the country's adults with autism. In many instances, the Bill as amended goes well beyond the original measure. It is in that regard that the cross-party working, and the efforts of my hon. Friend the Member for Chesham and Amersham and many others, have been so effective. We are talking about access to diagnosis, needs assessment, transition planning—a crucial area, and one of many areas where people may fall through the holes in the net—strategic planning and support services, and local partnerships and co-operation.

I should like to highlight six or seven key issues. When the Minister sums up, I hope she will address some of the issues on which there remain questions in some people's heads. On data collection and the need to identify people with autism, the National Autistic Society's comparison showing how hard-to-reach groups become easy-to-ignore groups was quite haunting. The key point is that groups of people can no longer be easy to ignore. They might remain hard to reach, but we can no longer ignore them.

Liz Blackman: Does the hon. Lady not agree that the many people who have high-functioning autism and have never had a diagnosis will be extremely difficult to identify? I am sure that there are data that could help local authorities, primary care trusts and the like to try to make a diagnosis, and to try to identify such people. It will be tricky to do so, and real, proactive commitment is needed, but it is important that we do so.

Anne Milton: The hon. Lady makes an excellent point, and, as she rightly says, some of the groups of people whom we are talking about are very hard to reach. That is where training and raising community awareness comes in; I will mention training later. If we look back 20 years, we realise that there are many issues that we, as a community and as individuals, simply were not aware of then. That can change, and it is important that it does, so that friends, neighbours, colleagues and those whom people with autism meet can recognise that a person has unmet needs, and can perhaps alert such a person to the fact that they can present themselves to the appropriate services to ensure that they can live their lives to the full. The Bill ensures that can happen.

We have heard that only 9 per cent. of local authorities are keeping any record on that point—only one in 10. It would be useful if the Minister assured the House that there will be a particular focus on identifying those whose autism is not already known about. The danger is that local authorities, in a rush to demonstrate that they are complying with the legislation, will pick up the group that they already know about and run with them. We need that focus, and a word from the Minister on that point would be helpful.

John Bercow: To build on the point made by the hon. Member for Erewash (Liz Blackman), does my hon. Friend the Member for Guildford (Anne Milton) recall that TreeHouse's "Constructive Campaigning" parent support project research found that teachers and other staff had not been adequately trained, or trained at all, and still did not recognise the condition of Asperger's? I am thinking of a quote from the TreeHouse research, in which a teacher said to a parent, "I don't believe in Asperger's syndrome." Of course, it is a matter not of belief, but of fact.

Anne Milton: I thank my hon. Friend for that intervention. Of course, it is pretty shocking when one hears of a teacher saying that, but one will hear the same story from families and charities working with, say, children with epilepsy. Children with epilepsy will have absences, will be low academic achievers, and may well be 12, 13, 14 or 15 before anybody realises that they were not just staring out of the window vacantly or failing to pay attention, but had epilepsy. We hear that time and again. I do not want to wander too far from the subject before us, Mr. Deputy Speaker, but bear with me for one moment while I say that there is a need to raise awareness within the teaching profession, and many other professions where people come into contact with children with a multitude of different needs. People in those professions should be alert to conditions such as epilepsy, and should signpost children and their families to possible diagnosis. However, today we are talking about autism.

As my hon. Friend the Member for Chesham and Amersham said, "joint strategic needs assessment" is a terrible mouthful. One of these days—soon, I hope—we will start simplifying the language that we use in

government, at all levels, so that ordinary people can understand it. The joint strategic needs assessment must include and mention the needs of people with autism. It would be useful if the Minister confirmed that the statutory guidance will specify that the JSNAs should account for the needs of people on the autistic spectrum.

I should like to say a word about commissioning. Nowhere in the NHS or in local authorities have we really got to grips with commissioning, because the starting point tends to be the services that are available. We decide where those services should be placed, not so as to provide the very best service for specific groups, but so as to serve them as best we can, or hopefully serve them, at any rate. That is the wrong way round. The joint strategic needs assessment will be a crucial tool in commissioning the right services. One must first assess the needs, and then provide the services to meet those needs. That can mean a significant change in services. One of the reasons that does not happen is that it can be very uncomfortable for service providers, as it can mean big changes; it can mean reshaping how services are set up and delivered.

Mrs. Gillan: I thank my hon. Friend for the contribution that she is making, from the Front Bench, on behalf of the party to which she and I belong. I was struck by a National Audit Office report in which a consultation was carried out that referred specifically to the services that were available. About two thirds of respondents to a survey of local authorities and NHS bodies felt that the services available were limited. An adult with autism who responded to the consultation said:

"My local social services department does not provide any autism-specific services, so these services are not at all flexible to my needs".

He was referring to supported accommodation, employment, recreational and social activities, and general support such as advice and advocacy. There is a great need for attention to how services are commissioned and how we identify the needs of people with autism.

Anne Milton: I thank my hon. Friend for re-emphasising that important point about the gap between the group of services available and the unmet need. The two are not necessarily in line with each other. If commissioning is done well, what a rocky ride that can be for government at all levels, but we will never get commissioning right in any area of local government or in the health service until we start from the needs of the population that we are trying to serve. Proper needs assessment is necessary to build a platform on which to develop services that dovetail and produce the results that we want to see.

My hon. Friend the Member for Buckingham (Mr. Bercow) referred to the training of staff. Only 15 per cent. of people with autism are in full-time work, so the training of staff in Jobcentre Plus as personal advisers and disability employment advisers will be crucial. That training, as we have already said, needs to go much wider—80 per cent. of GPs said that they needed more training and guidance. Increased awareness of autism among accident and emergency staff and across the community will mean that people with autism are recognised and empowered, and have equal access and opportunities. It would be useful if the Minister confirmed that professionals who have particular responsibility—let us start there—for supporting adults with disability will get specific training to help them support adults with autism.

The fourth aspect is community care assessments. It should go without saying that they should be person-based. It was a long time ago that I first heard the term "holistic care" mentioned—well over 25 years. I see the Minister nodding. We share a professional background, and I am sure that at times she, like me, could weep at the lack of progress. Care assessments must be person-centred, which means that they must be carried out by those with the training necessary to assess the needs of people with autism. I ask the hon. Lady to affirm her understanding of the need for appropriate training for people who undertake community care assessments.

On the publication of the strategy and guidance, I was moderately amused to see in the National Autistic Society's briefing that the Department of Health had said that it was standard to stagger the publication of strategy and guidance. I always hate it when I read that anything is standard, or that "that's what we always do", because an opportunity to do things differently might be overlooked. Perhaps the Minister will explain the policy, as I may have missed something obvious. Will she do what she can to ensure that strategy and guidance are published together, and if that is not possible, will she tell us why not?

In that context, it would be useful for many of the people who will read or who are watching the debate if the Minister gave us some idea of the dates of publication. We need to know that as soon as possible. We frequently hear from local authorities and various health agencies that they are still waiting for the statutory guidance. That is terribly frustrating. Often, local authorities want to get on and start fulfilling their commitments under new legislation, but the guidance is slow in appearing.

My hon. Friend the Member for Tiverton and Honiton mentioned silos. That is my penultimate point, and the subject is a bee in my bonnet. We talk about partnership working, attend joint meetings, make joint appointments, and believe that in doing so, we have achieved joint working. We have ticked the box on working in partnership, but real joint working is about getting out of those silos. Only then can we make the difference. The silos have to go. Government at all levels are desperately resistant to moving out of their bunkers and sharing budgets, experience and the benefits of cost-sharing.

As with commissioning, if we have our eye on the needs of the population for which we are trying to provide services, there should be no reason why we cannot break down the walls between Departments. Will the Minister spell out the measures that her Department will take to ensure that the strategy can be developed and implemented jointly with other Departments, particularly the Department for Work and Pensions?

John Bercow: My hon. Friend is making an admirable speech, but in referring to the DWP she prompts me to highlight an issue often mentioned but as yet not resolved—the off-putting complexity of the application form for disability living allowance. Does my hon. Friend agree that it would help if the Government looked at that again? It is true, to be fair, that the form has been substantially shortened over recent years, but I think I am right in saying—I have some personal experience—that it is still 52 or 54 pages long, and it does not lend itself to speedy completion by people who are not used to having to provide essay-style responses to testing questions.

Anne Milton: My hon. Friend makes yet another excellent point. If I recall correctly, my hon. Friend the Member for South-West Surrey (Mr. Hunt), who is not in the Chamber today, introduced a ten-minute Bill on exactly that point a couple of years ago, when he was shadow Minister for People with Disabilities. He pointed out the huge complexity of some forms, which would defeat many of the brightest of us. If we assess people's needs, and one of their needs is to access services and benefits readily and easily, simplification of the forms must inevitably follow.

Finally, the Secretary of State must keep the strategy under review if we are to hold the present and future Governments to account. To review the strategy, we need to monitor and we need indicators. It would be useful to know from the Minister what indicators will be used to determine when a review of the strategy is necessary, how the Department intends to monitor the progress of the autism strategy, and whether a named individual within the Department of Health will have responsibility for the successful implementation of the strategy at local level. I hope that the Bill will be passed today. Having made huge progress, it is crucial that all the energy and enthusiasm are not lost. What we need is real drive to make sure that, if passed, the Bill starts to produce results at the front line.

Rather like the Oscars, thanks are due all round for the cross-party working, and a cheer for the parents and families who hold together the care of their small children, their teenagers, and their younger and older adult children while we at every level of government have moved painfully slowly in developing proper services to support those families. Those unsung heroes are often wrung out, exhausted and have developed their own health problems, both physical and mental, as a result of their never-ending caring responsibilities.

Whatever our party politics, whatever our background, I have never doubted that all hon. Members came to the House to make a difference. Many of us have struggled at times to make the difference that we thought we could make, if only we found the way of doing it. We often have the opportunity to help individuals with their tax credits and their battles with the many Government agencies and with the local council, but to make a difference throughout the country is not easy. I hope that, today, Parliament has made a difference not only to the 500,000 people with autism, but to their families, friends and carers.

11.30 am

The Parliamentary Under-Secretary of State for Health (Ann Keen): I thank the hon. Member for Guildford (Anne Milton) for her warm words and encouragement and hope that, through my speech, I can address all her points.

I am so pleased and indeed proud to speak to this Bill. I sincerely apologise on behalf of the Minister of State, my hon. Friend the Member for Corby (Phil Hope), the care services Minister, who has played such a key role in its progress. He is very disappointed and sorry that other business prevents him from being here today, but I shall be sure to pass on to him the very kind remarks about his commitment that were made in all parts of the House and, in particular, by the hon. Member for Chesham and Amersham (Mrs. Gillan).

I pay tribute to the hon. Lady. She should be proud of her achievement in introducing the Bill. Her determination to drive it forward, while recognising the need for a realistic and collaborative approach in Committee in order to obtain the ends that she seeks, greatly impressed my hon. Friend the care services Minister. In addition, I recognise the efforts of the hon. Member for Tiverton and Honiton (Angela Browning) in her tireless work to promote the needs of people with autism before the Bill was introduced and since, including her active participation in Committee.

I have the highest regard for the hon. Member for Tiverton and Honiton, because prior to entering Parliament we both had a health background, and we both know how we have struggled to bring our knowledge to the forefront in this place when it has not always wanted to listen. I suppose that we now have to put Devon county council on warning, as this debate has managed to do; the way in which the hon. Lady managed to put across the reality of the misdiagnosis of mental health problems will never leave my mind. I hope that that goes not only for people in the House today but for health professionals outside. She gave an example in which she asked, "If this were a cardiac condition, how would it be managed if it were misdiagnosed?" That was absolutely accurate and to the point. I know that many Members from all parts of the House have the highest respect for her, and after the debate I look forward to perhaps chatting to her about how we can continue to work together.

The Government, like the hon. Members for Chesham and Amersham and for Tiverton and Honiton, are committed to taking action to improve services for people with autism. We are determined to see true, transformational change and a real improvement in their quality of life. Our means for achieving that is the development and publication of an adult autism strategy. The full publication of a consultation on the content of that strategy began in April, and that in itself indicates our commitment.

As Members present know well, my hon. Friend the care services Minister made it clear on Second Reading that, although we shared the principles set out in the Bill, we could not support it in the form it took at that time. That is why in Committee, my hon. Friend tabled the amendments that have made the Bill what it is today. The hon. Member for Chesham and Amersham has eloquently made the case for this Bill, and the figures that she quoted are a powerful testament for the need for action in this area.

I have no ministerial responsibility for this area of care, but since knowing that I would be present today and having been privileged to be a part of taking the Bill forward, I have learned a great deal. Even though I am a former health professional with more than 25 years' experience, I know that we can still learn a great deal and it has been a pleasure and privilege to learn more on this subject.

The National Audit Office's recent report on services for people with autism provides further evidence of the needs of people with high-functioning autism and Asperger's syndrome, and of the types of service and good practice that already occur in some areas. Senior officials from the Department of Health, the Department for Work and Pensions and the Department for Children, Schools and Families appeared before the Public Accounts Committee earlier this week, as has been mentioned, to

give evidence on the NAO's findings. The hon. Member for Tiverton and Honiton took that opportunity to press for continued action to improve services, especially on the diagnosis, assessment and understanding of autistic spectrum conditions, and I trust that she and other members of that Committee were reassured that we take the issue seriously not just in the Department of Health, but throughout the Government.

My hon. Friend the Member for Erewash (Liz Blackman), who spoke with her usual honesty and passionate feelings on the subject, raised the issue of how important local leadership will be to the implementation of services, and I am pleased to say that there will be representatives of the Association of Directors of Adult Social Services on the external strategy reference group.

Clause 1 places a duty on the Secretary of State to prepare and publish by April 2010 a document setting out a strategy for meeting the needs of adults in England with autistic spectrum conditions. By improving the provision of relevant services by local authorities and the NHS, the Secretary of State will be required to keep the autism strategy under review and will be able to revise it. He will have a duty to consult and seek the participation of such persons as he considers appropriate in preparing and revising the autism strategy.

That consultation process has already begun, so clause 1 also contains provisions to ensure that the consultation will fulfil the Secretary of State's duty, even though it will have not only begun but ended by the time the Bill comes into effect. Similarly, my hon. Friend the care services Minister has made it clear that our intention is to publish the autism strategy by the end of this year. Therefore, the clause also contains provisions to ensure that doing so fulfils the Secretary of State's duty to publish a strategy even if the Bill has not come into force at the time of publication.

Of course, publishing an autism strategy is only the beginning of the story. The hon. Member for Mid-Dorset and North Poole (Annette Brooke) ended her contribution by saying: although we have packed and started the journey, how will it end? I hope that, with her knowledge of young people and children, about whom she so often speaks, we will be able to complete the journey together.

To that end, clause 2 places a duty on the Secretary of State to issue guidance by 31 December 2010 to local authorities, NHS bodies and NHS foundation trusts for the purpose of securing the implementation of the autism strategy. Some Members may ask why there is apparently such a gap between the deadlines for the strategy's publication and for issuing the guidance on its implementation, and I shall return to that point later.

Clause 2 also sets out some issues that guidance should cover as a minimum. It requires the Secretary of State to keep the guidance under review and to consult the NHS and local authorities on preparing it and, if the Secretary of State proposes, on revising it. On the strategy itself, there are also provisions to cover the possibility that the consultation on the guidance may begin before the Bill comes into effect, and to ensure that such a consultation fulfils the Secretary of State's duty under the clause.

Clause 3 is of particular interest. On Second Reading and, indeed, elsewhere, my hon. Friend the care services Minister gave clear commitments that the guidance on the implementation of the autism strategy will have the necessary bite to drive real transformational change. The clause puts that commitment into action. It specifies that the guidance is to be treated as section 7 guidance under the Local Authority Social Services Act 1970, meaning that local authorities will be required to exercise their social service functions in accordance with the guidance. Case law has established that that means more than just taking account of the guidance. A local authority that failed to comply with section 7 guidance without a really compelling reason for doing so would be acting unlawfully.

For NHS bodies, there is no existing provision equivalent to section 7 of the LASS Act. In order to create the same obligation on NHS bodies to act in accordance with guidance issued under clause 2, clause 3 also specifies that, for the purposes of that guidance, NHS bodies are to be treated as local authorities. That means that their functions in relation to the provision of relevant services are social services functions under the provisions of the LASS Act. That means that NHS bodies will be bound by the guidance to the same extent as local authorities, which also means that the case law that has established the status of section 7 guidance as being more than just advice to be taken into account will apply equally in relation to NHS bodies.

I should add that these provisions will not apply to NHS foundation trusts. Although the Secretary of State is required by clause 2 to issue guidance to NHS foundation trusts, they are not covered by clause 3 because the definition of NHS bodies set out in clause 4 does not include NHS foundation trusts. That means that foundation trusts will be expected to take the guidance into account in planning and providing services for adults with autistic spectrum conditions, but they will not have the same duty to act under it as local authorities and NHS bodies. This reflects the greater autonomy of NHS foundation trusts.

Liz Blackman: In Committee, we had a good debate about this issue, and the Minister reassured everybody that although foundation trusts do indeed have autonomy, when PCTs were commissioning their services they still acted under the guidance, which was incorporated in the commissioning process. That gives reassurance that the guidance will, to a degree, stretch into foundation trusts.

Ann Keen: I thank my hon. Friend; using the knowledge that she gained from being on the Committee, she has clarified that point.

The remaining clauses deal with the matters that one would expect to see in any Bill: definitions, extent, application and so on. I do not propose to go through them in detail, but I would just draw the House's attention to the commencement arrangements in clause 6.

John Bercow: I certainly have no desire to strike a discordant note; as I said, I admire the way in which the Government have taken this matter forward. However, I am a little concerned by the idea that whereas there is a duty to act on the part of the local authority, the responsibility of a foundation is merely to take something into account. It seems to me that it is quite easy for an organisation to say, with a nod and a wink, "I've taken

[John Bercow]

it into account, and I'm now pursuing the policy that I want to pursue." There is real concern out there that taking into account must also mean translating into practice.

Ann Keen: The hon. Gentleman, whose earlier contribution demonstrated so well his commitment to the subject, raises the "nod and a wink" approach. I believe that when the Bill goes through the other place, it will be so strong that a nod and a wink will not be involved: foundation trusts will be there to deliver best practice.

John Bercow: I am grateful for that, and I am reassured.

Ann Keen: As I said, I do not propose to go through all the definitions in detail. *[Interruption.]* I think that Members are indicating that they are relieved about that. However, I would like to draw the House's attention to the commencement arrangements in clause 6.

Liz Blackman: Just for a bit of clarity, let me point out that, in Committee, the Minister of State, the hon. Member for Corby (Phil Hope), explained that this is handled through the contracting system. He said:

"Yes. The Bill does not apply to foundation trusts for the reasons that I have just given—wider policy and so on—but if a PCT is contracting with a foundation trust, as I said earlier, the obligation of the PCT as an NHS body to ensure that it is carrying out its statutory duties is, therefore, handled through the contracting process. I emphasise that the NHS foundation trusts have more autonomy in the system, which is why the Bill cannot directly apply to them in the way that it may apply to other NHS bodies." —[*Official Report, Autism Public Bill Committee,* 13 May 2009; c. 38.]

I hope that that clarifies the point.

Ann Keen: I thank my hon. Friend, and I hope that the hon. Member for Buckingham (John Bercow) is content.

John Bercow: Doubly content.

Ann Keen: We are here to please.

As I said, my hon. Friend the Minister of State wanted to be present, so he has asked me to say the words that he would have said had he been here. I therefore need to make some progress, if hon. Members can bear with me.

It is a further mark of the Government's total commitment to the autism strategy, and the improvements that will flow from it, that we have chosen to provide for the Bill to come into force automatically, two months after Royal Assent is given, so no commencement order will be needed.

I want to turn to the links between this Bill and existing Government policy, and how the Bill will support it. I make no apology for reiterating that our commitment to developing and delivering that strategy is rock solid. Indeed, we have already made clear our intention to publish the final strategy by the end of 2009. We are content to underline our commitment by setting ourselves a statutory time scale for doing this—with, of course, a sensible margin for flexibility. We are also happy to underpin our commitment by signing up to a requirement to consult on the strategy.

We are already working closely with a very wide set of stakeholders. We want to hear from as many people as possible whose lives have been touched by autism, whether personally or professionally. We have already benefited from input from an external reference group comprising people with autism, family, carers and health and social care professionals involved in front-line delivery of services. We will continue to work very closely with the group over the next few months to build on what it has already done as we develop firm proposals for the final strategy. We have also commissioned a team of social policy researchers to run a series of consultation events so that we can involve many more people, especially those whose voices are less often heard.

Of course, the development and publication of the adult autism strategy will be only the first stage in the journey of transformation. We will not be simply putting it into the public domain and then leaving local authorities and the NHS to get on with it—a worry expressed by some Members today. The key to real transformation will be a focus on delivering at national, regional and local level. To support that, we will consult on and deliver detailed mandatory guidance to set out what the NHS and local authorities need to do to achieve the changes that we expect to be described in the strategy. Again, the Government are happy to be tied into that commitment by the Bill and to commit to a clear date by which the guidance will be published.

As I said earlier, I know that some might feel that the nine months between the final publication deadline for the strategy and final publication of the supporting guidance is rather a long time, but until we have completed the consultation on the strategy and are more certain about the exact priorities for action, we cannot start working up the guidance in detail. As we are going to place an obligation on the NHS and local authorities to act in accordance with the guidance, we must allow time to consult those organisations on its content. For example, we need to ensure that we do not set requirements on them that are impossible for them to meet in practice.

I remind the House that we have made a firm commitment that the guidance will be put on a statutory footing for both local authorities and NHS bodies. Although it may well be possible to issue the guidance considerably earlier than the end of 2010, we have taken the prudent step of ensuring that we have sufficient time to do the job properly. We are happy to underpin our commitment to review and reissue the guidance as appropriate. In consulting local authorities and health bodies on the guidance, and on any subsequent revisions, we intend also to seek the views of other key stakeholders.

In amending the Bill, the Government have made a firm commitment on the headline issues that the guidance will need to cover. They include the provision of diagnostic services, information gathering including needs assessments, strategic planning of services, transition planning, work force training and local leadership. Those reflect the key themes identified in the consultation, particularly the importance of public services coming together to assess the needs of people with autism and what support they need to live independently and be included in their communities. Driving a change in attitudes and culture, particularly among all front-line staff who come into

contact with people with autism, is particularly important. Of course, the list of themes is not exhaustive or exclusive. The provisions do not preclude the inclusion of other issues in the guidance; they require only that those particular ones must be included.

I turn to the strategy itself. As the House will know, we are currently in the midst of a full public consultation on its content. As I mentioned, in developing the strategy we want to hear from as many people as possible. People with autism and those who know them are the real experts, and their input will be invaluable. We have therefore undertaken a range of different activities to ensure that the strategy is properly informed by key stakeholders.

The consultation document was developed with the help of an external reference group including adults with autism, their parents and carers, health and social care professionals involved in front-line delivery and those with experience in supporting adults with ASD into employment. We will continue to work with that group over the next few months and build on its ideas as we develop the strategy.

That is only one of the many ways in which we are engaging with stakeholders, particularly people with autism and their families. Now that the consultation has been launched we are encouraging as many people as possible to respond in writing, by e-mail or through an online questionnaire—whichever they prefer. We would also like people to organise their own discussion groups, and we are making available a toolkit to support individuals and groups to do that.

Alongside the formal consultation, we are carrying out a range of activities to help capture the views of adults with autism and their carers, many of whom would find it difficult to respond formally to the consultation. Events will be taking place in each of the nine Government regions over the summer. In the first instance, they will include one-to-one interviews and small group discussions with adults with autism and their families, conducted in the way that is most appropriate to the individuals involved. There will also be interviews with professionals working with adults with autism. The activities will be wide-ranging and allow participants to talk about the issues that are most important to them. The findings of the interviews and discussions will then be used to help develop engagement workshops in each of the nine regions, which will delve further into the priority areas for action in the strategy and consider possible solutions.

A number of adults with autism find it much easier to communicate their views online and through e-mails. We are therefore developing an online community to allow those who prefer to communicate in that way to discuss their priorities for the strategy. We believe that that menu of options for involvement in the consultation means that as many people as possible can have their say and help us to develop a strategy that works on the ground.

The House would not expect me to pre-empt the outcome of the consultation. Nevertheless, with the external reference group for the strategy, which is chaired by the chief executive of the National Autistic Society, we have identified the priority themes for an adult autism strategy. They are health, social inclusion, access to employment, choice and control, and training and awareness.

Housing has been mentioned in the debate, and the Government agree that it is an important issue for people with autism. Public service agreement 16 on improving inclusion in society for those most excluded focuses on housing and employment. We will consider housing in our consultation on the adult autism strategy.

Annette Brooke: I thank the Under-Secretary for dealing with the point. Will she ensure that we take on board the fact that housing is not nowadays generally controlled by local authorities? Housing associations and arm's length management organisations all have a part to play in providing suitable housing for young adults. It is important to look across the spectrum of housing that will be needed.

Ann Keen: The hon. Lady makes a valuable point. In my borough—the London borough of Hounslow—we have an organisation called Speak Out in Hounslow and the Owl housing association, which does great work. We must ensure that we look across the spectrum.

It is worth spending a little time considering the thinking behind the themes and what we hope to explore through the consultation. In the health theme of the consultation, we are seeking people's views about diagnosis and post-diagnostic support; the importance of understanding local populations through data collection; meeting local need through strategic planning; ensuring that all health services are accessible to adults with autism, and ensuring that people with autism get the right support from mental health services.

Adults with autism, their families and carers often tell us about the challenges that they face in accessing diagnostic and post-diagnostic support. That point has been well made today. They can often struggle to get an appropriate assessment of their support needs from a professional who understands what it means to be on the autistic spectrum. Many people and their families tell us that they feel lonely and isolated after receiving a diagnosis and do not know to whom to turn for the right support and information.

We also need to tackle diagnostic overshadowing. The difficulties that a person with autism experiences with communication, together with a lack of awareness and understanding of their condition and needs, can mean that some professionals do not see further than the person's autism and thus miss underlying health concerns. I mentioned previously the problem of falling into the gap between mental health and learning disability services. There is also a risk of being inappropriately treated and supported under one of those services. Training and awareness raising, which I will cover shortly, is vital in ensuring that adults with autism get the right care and support from the health service.

There are many examples around the country of good practice, whereby services identify and support adults with autism in their everyday lives. For example, in Northamptonshire Healthcare NHS Foundation Trust, the transition and liaison team provides a diagnostic service and short-term post-diagnostic support service to adults with Asperger's syndrome. It also supports those with an existing diagnosis, especially during the difficult period of transition to adulthood.

The service focuses on interventions to reduce social isolation and mental health difficulties, and helps adults develop independent living skills and relationships. It

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helps them access a range of appropriate supported housing options, better social and academic support, and learning opportunities during transition and in continued education. It helps address carers' needs and supports improved employment opportunities for adults with autism. It also supports better access to forensic services and post-diagnosis emotional support. That sort of service is a brilliant example of how local areas can respond positively. More needs to be done to enable that to happen consistently, which is why delivery and implementation are key parts of the Government's strategy.

Making reasonable adjustments in a health care setting can be very easy. A mother of two sons, both of whom have an autistic spectrum condition, has told us that her GP is the only means of support that they have, saying:

"He is aware that both function better in the afternoon and so we are always given afternoon appointments. If possible we are given his last appointment so that he can spend longer with our sons if he needs to.

It is also quieter then. He is quite happy to let my eldest son who is 21 read any books with information regarding treatment and also his notes on the screen to make sure that he is happy with what has been written.

He is also aware that our eldest is more comfortable speaking to some of the doctors within the practice than others and this has been noted without it becoming an issue.

If there are no appointments available we can speak to any receptionist and state that we have an arrangement with the practice and we have always been able to see someone within 24 hours.

This goes right across the board within the practice. The asthma clinic, which usually runs on a morning, will also see our son in the afternoons.

I have no doubt that we would sink were it not for the understanding and adjustments made by our GP and his practice. A little understanding really can go a very long way."

That is an example of the health service delivering a quality personal service and treating those two young men with the dignity that they deserve.

On the theme of social inclusion, we are interested to hear people's views on how adults with autism can access the appropriate support, including social support, to enable them to be fully included as active citizens in our society. As active and independent members of our community, we all aspire to a home of our own, a social life and the opportunity to pursue the things that interest us, whether they be spending time with friends and family, playing sport, going to the cinema or relaxing over a drink—of two units only, of course.

It is only right and fair that adults with autism should have the opportunity to pursue the same things that many of us take for granted. Adults on the autistic spectrum will have varying levels of need, and it is important that they can access a range of appropriate and timely support, reflecting the complexity of the autistic spectrum, that promotes inclusion. People's social needs should be met through support to develop and maintain their family life and relationships. They should be able to access meaningful activities of their choosing during the day and evening, and have access to housing that considers how the physical and sensory environment can affect a person with autism.

From what people have been telling us and from the work of the external reference group working with the Department of Health on the development of a strategy, we have heard a number of concerns about the need for strong and committed local leadership to ensure that adults with autism get the right support and access. A good example is the Liverpool Asperger's team, which is a multi-disciplinary team established in 2003 to address the issue of people falling through the gaps in service provision, which is something that we often hear about. The needs of many people on the spectrum are often misunderstood, leaving many people vulnerable. The Liverpool team is a joint effort on the part of the primary care trust and the local authority. It takes a person-centred approach, provides assessments and diagnoses, offers direct support through its managed care pathway approach and makes referrals to other services.

The team also works with local services, including schools and colleges, mental health services and specialist services, such as those involved in the criminal justice system, and with those receiving support from mental health and alcohol and substance misuse services. The team also offers training and advice to other professionals about Asperger's syndrome, including through regular awareness-raising sessions, playing a vital role in enabling good practice to cascade through the local area.

The key to getting things right for adults with autism is ensuring that the strategy delivers on the ground. Examples of good practice from across the country demonstrate what works. We are keen for local agencies to learn from each other and to help each other improve local services. We have to learn how to share best practice better and how to communicate it, whether in health or social care. There is an excellent exhibition at the ExCel centre today—it was also on there yesterday—about advancements in health and social care. What has been brought about through innovations in independent living and how people can be assisted would probably be beyond most people's imagination. I commend all those involved—led by Lord Ara Darzi—in the quality programme. There were many good examples that social services could also have registered with.

In Greater Manchester, multi-agency autism services development groups have been set up in every local authority. The groups look at what can be achieved in their local area by improving current provision within resources. The chairs of these groups sit on the steering group for the consortium and share information about similar problems that different local authorities have come across, and any solutions that they have found. The consortium also funds the National Autistic Society's family services development project, which provides information, advice and support to families across Greater Manchester. Through the work of this project, information about what is happening on the ground is fed back to the consortium to help to inform commissioning. The hon. Member for Guildford mentioned the importance of getting commissioning right. It appears that Greater Manchester has got the best practice right in that regard, and many of the services with which I have been involved are prepared to share their knowledge of how to achieve this.

The North East Autism Consortium was established to develop a regional approach to addressing the planning and service needs of people with autism. It is working towards the development of a regional commissioning strategy. Four autism services development groups have been set up to share good practice and advise on development.

We know that people with autism have particular problems with social communication and may need specific support in that area. That might involve services such as befriending, social groups or social skills training. From listening to people with autism and their families, we know that these support services can offer a vital lifeline and help to tackle social exclusion. In the National Autistic Society's "Exist" report, one parent describes a monthly social group as an activity that gives her son the freedom to be himself. Such services are available in a number of areas across the country. We applaud the work that they do in tackling isolation and promoting confidence.

I also pay tribute to the all-party group on autism, which—along with the National Autistic Society—has achieved great things. The chair of the group, my hon. Friend the Member for Burton (Mrs. Dean), was mentioned earlier by my hon. Friend the Member for Erewash, who described her quietly getting on with the work at the back of the Committee, which is typical of her. The group's commitment to the Bill has been overwhelming, and all hon. Members have recognised that. We should pay tribute to the work of all the all-party groups in Parliament, and to the all-party group on autism in particular, in the context of this Bill.

Newham Asperger's service is another example of the organisations providing the services that I have described. It organises two monthly social groups, which provide adults with autism with an opportunity to meet other people, develop friendships and share experiences and advice. The service also aims to reduce isolation and build much-needed confidence.

Access to employment is an important factor that has been mentioned by many hon. Members. A further key theme of the consultation is access to training and employment. Our vision is that all adults with autism will have the opportunity to do work that is appropriate to their skills and interests, and have access to the right level of support to meet their needs in the workplace. Adults with autism should be able to access skills and education courses that help them to prepare for work. They should also be able to access support to develop those skills once they are employed, so that they can progress and achieve their full potential. It is also important to recognise that people need support towards employment and that, for some, full employment might not be what they want or are able to achieve. The key is to support each individual to achieve their potential, whatever that might be, and to give them choice and control as part of their person-centred plan.

I am sure the House is aware that personalisation, as well as choice and control, are central to the current direction of travel in health and social care. It will be no surprise, then, that choice and control is a key theme in the consultation on the autism strategy. We want to ensure that adults with autism can access the right support to help them exercise the same choice and control over their lives as everyone else. Within the choice and control theme of the consultation, we are seeking views on how people with autism can be better supported through person-centred planning.

Mr. Brooks Newmark (Braintree) (Con): Before I ask a question on this very subject from a constituent I met a couple of weeks ago, I would like to congratulate my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) on introducing the Bill. On behalf of the relevant families in Braintree, I also congratulate the Government on supporting such an important Bill.

Two weeks ago, I met a constituent with a young son, probably quite low on the autistic spectrum, who had found it difficult to get a job. I have heard what the Minister has said about training to support people with autism in getting a job, but with only 15 per cent. of young adults as a whole gaining access to full employment, I am still not—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am reluctant to interrupt the hon. Gentleman, particularly given the subject we are debating this Friday, but I would be grateful if he would now put his question.

Mr. Newmark: I would like to finish my sentence, Mr. Deputy Speaker. My question on behalf of my constituent is: what advice will be available to people working in Jobcentre Plus, for example, to help young people like my constituent's son gain access to a job? I am still not clear about that, and we all agree that all our constituents deserve access to full employment.

Ann Keen: As I continue my speech, I will address that point. I recognise that the difficulty raised by the hon. Gentleman is, sadly, a common one, but the Bill and the strategy are intended to help deal with it.

As I was saying, within the choice and control theme of the consultation, we are seeking views on how better to support people with autism. Our vision is that adults with autism should be given the support they need to be empowered to take control of their lives—a good sentence and good words, but how? They must be able to participate as fully as they are able to in society and to pursue the lifestyles and relationships of their choosing.

Our vision is that those with support needs will have a person-centred plan, which should be regularly reviewed to enable the individual to meet their personal goals and objectives. Having choice and control also means ensuring that personal budgets are accessible to adults with autism; ensuring access to a proper and ongoing transition plan for all young people; and providing the right support so that adults with autism can communicate effectively.

Much has been said, and rightly so, of training and awareness. You will have noticed, Mr. Deputy Speaker, that a common theme and challenge faced by adults with autism is that those who are supposed to provide them with support and services do not always have the necessary understanding and awareness to provide the right type of support. Thus awareness raising and training is the final key theme in the consultation.

A lack of awareness and understanding can affect people with autism in many ways. It can affect their quality of life, including their ability to access leisure, community and education services, as well as access to public transport and the ability to feel safe in their own community. It can affect their ability to make a positive contribution to society when people fail to see past the label of autism; their ability to exercise choice and control and maximise their independence; their right to freedom from discrimination or harassment, including equality of access to services and not being subject to abuse; and their ability to secure their economic well-being through employment and a range of training opportunities.

[Ann Keen]

Stakeholders have raised with us a key concern about the extent to which many professionals and the wider population understand the characteristics of autistic spectrum conditions and how that can affect behaviour. A lack of understanding can lead to unacceptable intolerance and discrimination—and, sadly, isolation for many people. A survey by the National Autistic Society showed that 83 per cent. of individuals with Asperger's syndrome felt that many of the problems they faced were a direct result of others not understanding them. As we have seen from earlier examples of good practice by the Liverpool Asperger team, a great deal can be achieved from learning from others.

The hon. Member for Guildford will be pleased to learn that I am about to mention Surrey. The county autism group and local autism lead have developed a network of 80 champions across services in all sectors in the county. Those champions have six months' training and mentoring, and help to cascade that training to their teams. Champions are supported to network and share good practice across services, leading to a positive outcome for individuals with autism.

Training and awareness is a key issue for a number of different professionals. For example, autism is mentioned in the GP curriculum statements on mental health and children and young people. I would expect all GPs to have a general understanding of first principles. However, the Royal College of General Practitioners recognises that there is a wide variation in services for children and adults with autism across the UK.

Angela Browning: We have made the point about GPs before. It is not that we expect them to diagnose someone; it is that they are the gatekeepers and should be able to make an appropriate referral, and when they make a referral, someone with the expertise needs to be available at reasonable notice—it should not an appointment in a year's time—to make that diagnosis. I stress that point. It is not possible to read up on the condition in a book and become capable of diagnosing it.

Ann Keen: Sadly, that may be the hon. Lady's personal experience of cases in her constituency. I, too, recognise the situation and, to be fair to the Royal College of General Practitioners, it also recognises it. For example, it would say that there is a lack of consistency of awareness of the availability not of a formal diagnostic assessment, but of a gateway, as was mentioned.

The royal college's learning disabilities group is particularly concerned about the lack of services for people with autism, especially those with high-functioning autism or Asperger's syndrome. There is a danger that those people can fall in a gap between the specialist services of mental health and learning disabilities and really struggle to find specialist support. We will be looking out for that as we analyse the results of our consultation, due to end in September. I will be happy to share those results with hon. Members.

We are committed to working with professional bodies to take action on training issues to address the needs of people with autism. That will form part of our work to develop the strategy on adults with autism. Although good practice may not be consistent, there are pockets around the country where GPs are responding well, as in the example that I quoted of the mother with two sons.

It is also worth mentioning the Bradley review in that context. That independent review was commissioned to examine the extent to which offenders with mental health problems or learning disabilities could, in appropriate cases, be diverted from prison to other services, and the extent of the barriers to such diversions. The review has kept a broad remit and incorporated the range of mental health problems and learning disabilities across the criminal justice system. It made recommendations to the Government, including the organisation of effective liaison and diversion arrangements, and the services needed to support them. We will be convening a special event that focuses on the criminal justice system and autism as part of the programme of stakeholder engagement to support the consultation on the strategy.

I believe that the autism strategy will improve the lives of people living with autism and their families through the key priorities of health, social inclusion, including employment and housing, choice and control, and training and awareness-raising. The strategy will be supported by detailed guidance to NHS bodies, NHS foundation trusts and local authorities.

Although the autism strategy is a hugely important development, we have already moved forward significantly on our commitment to delivering improvements. On 2 April, world autism day, the Government published guidance for commissioners aimed at the NHS and local authorities.

That sets out good practice for strategic planning of health and care services to meet the needs of adults with autism. I must also highlight that the devolved Administrations are developing, or have already published, guidance, strategies and action plans to support people with autism.

Members have highlighted the lack of robust information on the number of people with autism in this country. That was a theme in the recent NAO report, "Supporting people with autism through adulthood", and at a hearing of the Public Accounts Committee earlier this week, but that problem is not confined to this country. It appears that many other countries worldwide share the problem. We are therefore commissioning a study on the prevalence of autism in adults and a public health observatory to improve further the data and knowledge in that area and to get a clearer picture of the number of adults with autism in England. We believe that that will be an important step in understanding our own population, and potentially make an important contribution to autism research internationally.

Mrs. Gillan: I am amazed at the response I am getting from the Minister—I am sure everybody is. She has been talking since half-past 11; her speech is a tour de force, and I am most grateful for the detailed way in which she is responding. In fact, I thought I would give her a bit of a rest by making an intervention, because I think she probably needs a glass of water. The prevalence study has been a huge bone of contention. When my hon. Friend the Member for Tiverton and Honiton (Angela Browning) introduced her ten-minute Bill, the Government promised that there would be a prevalence study. The non-delivery of that has caused an awful lot of the problems. The Minister says once again that the prevalence study is coming. We know that Christmas is coming, too, but does she have a firm date as to when the prevalence study will take place?

Ann Keen: I hope to receive guidance from my officials on that before I finish my speech, because I would like to be able to give the hon. Lady a satisfactory answer, given her gracious comments in her intervention. I certainly take her point on board, and I offer an acknowledgement to the hon. Member for Tiverton and Honiton, too, on that matter.

Let me now say a little more about the issue of information, as it is crucial to the identification of need and the planning and commissioning of services. We will address issues relating to the collection of data on adults with autism by engaging with local communities, voluntary sector experts and carers to work out how to overcome existing problems in collecting information locally. We will develop proposals through the strategy to enable every locality to collect good data about the needs of people with autism living in the area. The joint strategic needs assessments are a key mechanism for commissioners to understand the needs of local people. The work we are taking forward this year, including publishing guidance and sharing good practice on strategic needs assessments, will help to improve the information local services can access to inform commissioning decisions.

My hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry) was present at the start of the debate. She was working on children with autism and the transition to adult services before she took up her new ministerial post at the Treasury. Supporting children and young people with autism is an important part of the work this Government are engaged in through the "Aiming High for Disabled Children" programme. Transition—supporting young people as they move into adulthood—is perhaps the area of greatest interest and concern. The report, "Aiming High for Disabled Children: Better support for families", recognised that transition provision for young people was inconsistent. That is why we established the £19 million transition support programme with the aim of addressing that inconsistency and ensuring that by 2011 every area is at least meeting minimum standards. Arrangements are in place to achieve that. The Council for Disabled Children sent all local areas a self-evaluation questionnaire in 2008. There was a 99 per cent. response rate, enabling the CDC to provide authoritative advice to Government on the support needs of local areas.

The Department of Health and the Department for Children, Schools and Families, working with the CDC and regional support agencies, agreed three offers of support to local areas: offer one related to recognising those working beyond minimum standards; offer two was in respect of those just meeting minimum standards; and offer three related to those not meeting minimum standards.

There are stretching key performance indicators to ensure progress towards the 2011 target. The aim is to improve local services better to meet the needs of their disabled young people. Support to local areas is available from regional support agencies and centrally from the CDC, working as the national transition support team. The overall objective is to improve support and choices as young people plan and prepare for what they will do as adults.

By improving local services, we can ensure that the right structures are in place to support young people. The guidance issued since "Aiming High" advocates a strategic transition protocol; multi-agency sign-up; and responsibility for delivery for senior managers across children, adult, health and social care services and for lead members. That approach includes Connexions; information, advice and guidance services; youth services; leisure services; housing; support employment; and local colleges. That is because of the need to reflect the broad base that transition covers.

It is important not to focus on collecting data on the number of transition plans completed—that is a statutory requirement for all with a statement of SEN. Rather, it is better to focus on improvement in service delivery and clearer engagement with all disabled young people in order to allow them to contribute what they want to do as adults. Such an approach will maximise their economic situation, their health and their well-being.

Direct grants are available for local areas that are performing well during the transition period. Regional adviser support will be focused on those with furthest to travel to reach adequate standards of transition support, and regional advisers will provide networking support for all local areas, with a particular focus on the local areas that are not receiving support in the two categories above.

The all-party group on autism's latest report, published last week, fits well with the existing research on young people with autism and also with the larger body of research on disabled young people and transition. It highlights some key features of what should be available in good transition support, and I can confirm that those are all issues that the Department of Health's forthcoming research study on autism and transition will explore. In the research study we plan to draw on information from our current transition study "Models of multi-agency services for transition to adult services for disabled young people and those with complex health needs: impact and costs". That study is led by the multidisciplinary children and families team at the university of York and aims to support the delivery of the national service framework for children, young people and maternity services.

A key question is what support those services provide for all young people with autism and not just those with learning disabilities, and what the young people's and their parents' experiences can tell us about what is working well and what is not. I expect that the Department of Health study will begin this year—on 1 November—and end in 2012, and there will be interim reports of findings during that time. Owing to procurement rules relating to confidentiality, I am sorry that I am unable to give further details now, but as soon as it is possible to do so, we will provide further information.

The all-party group report also raises the issue of autism and higher education. The current Department of Health transition study that is looking at disabled young people of transition age considers young people with degenerative conditions. From the experience of that study, we are aware that a lack of support from any services for young people going on to higher education is a problem.

Mr. Michael Mates (East Hampshire) (Con): May I congratulate the hon. Lady unreservedly on the way in which she has been dealing with her speech on this Bill for one hour now, largely uninterrupted, on a subject that she has admitted is not hers? May I remind her, too, that another of her colleagues is equally eager to

[Mr. Michael Mates]

show that he cares about a small minority whose needs are just as great as those of the minority we have been talking about? I am a little alarmed by the large number of sheets of paper still in her hand. Am I the only one in the House who thinks that she may be being instructed to make a speech of inordinate length, even though this has all been agreed three hours ago?

Ann Keen: Those are most ungracious remarks. Hon. Members have asked me some very serious questions, and I have endeavoured to answer them in full, as this subject deserves. The hon. Members for Chesham and Amersham and for Tiverton and Honiton have had very little time to discuss this important issue in the House, and if the right hon. Gentleman is disturbed by that, I suggest that he takes another look at the values and priorities that we profess to have in this place. I make no apology for continuing.

From the study, we are aware that a lack of support from any services for young people going on to higher education is a problem. That may be linked to a lack of expectation that that is attainable, so it will be important to look at that in our research. I also draw the House's attention to the fact that transition arrangements are specifically mentioned in clause 2 as one of the topics that must be included in the guidance that we will be issuing to support implementation of the autism strategy. There can be no clearer demonstration of the importance which we attach to this issue.

I will now take a few moments to address specific points that the hon. Member for Chesham and Amersham made in her speech. In so doing, I am conscious that I may be guilty of repeating myself a little, but I want to ensure that I do her the courtesy of specifically addressing her concerns.

First, the hon. Lady asked for reassurance that proactive measures to identify people with Asperger's syndrome and high-functioning autism will be put into place and that these measures will not be reliant purely on making better use of existing data. I should like to assure her that we will indeed take such proactive measures and will explore during our consultation period the best way to do that. In addition, we are already undertaking work to support local services to improve identification of people who need more support. We are commissioning a new public health observatory for learning disabilities, which will also be tasked with addressing data for all people with autism.

Secondly, the hon. Lady asked me to confirm that the emphasis will be on identifying people who are not already known to services and people with Asperger's syndrome. I am very happy to give her that confirmation. We want to get good data on the whole population of people with autistic spectrum conditions. I am also very happy to confirm that the definition of people on the autism spectrum does indeed specifically include those who do not have a learning disability and who are often categorised as "high functioning", and people with Asperger's syndrome.

The hon. Lady also asked about strategic planning and joint strategic needs assessments. I have already answered her concerns in my earlier comments, but to reiterate, we expect that those will address the needs of people with autism. We will publish good practice guidance this year setting out what a good JSNA looks like to help assessors to identify the needs of people such as those with autism, who may be at risk of falling through the net.

Next, I can confirm that professionals who have particular responsibility for supporting people with autism, whether in social care, employment support or other areas, will receive appropriate training. I know that that was an issue of particular concern at Monday's Public Accounts Committee hearing, especially with regard to employment advisers. I can assure the House that the Department for Work and Pensions will review the content of autism-specific training materials for their staff.

I was asked for assurance that assessments of the needs of people with autism will be person-centred and carried out by professionals with appropriate training. Yes, assessments must be person-centred—that is the essence of policy and practice. I have already made that clear.

On the question of the timing of the publications of the strategy and consequential guidance, I understand the concerns that the hon. Lady and others have articulated. I am happy to reiterate that our intention is to make the delay between the publication of the strategy and the guidance as short as possible, but we cannot begin to develop guidance to deliver the strategy until the content of that strategy is finalised. We cannot publish the guidance without a full consultation with all stakeholders, particularly those bodies that will have a duty to act under the guidance. It is our commitment that we will consult all stakeholders on the guidance and not just local authorities and NHS bodies.

On the question of evaluating delivery of the strategy and ensuring a review, it is a little too early to say what indicators would trigger a review, but in developing the strategy we will work closely with stakeholders to develop arrangements for local, regional and national monitoring of the delivery of key actions and will set in place arrangements for reporting and evaluation.

The hon. Member for Chesham and Amersham asked about a named individual within the Department of Health who would be responsible for the success or failure of the strategy. I emphasise that we believe that the key to successful delivery is leadership at all levels from Ministers to the front line. We have a specialist external adviser on autism to support the development of the strategy. Once we have launched the strategy, we could consider whether there is a case for a national leadership role to steer delivery.

Mrs. Gillan: I can see that the Minister is getting to the end of her great sheaf of papers and I thank her for specifically addressing the points that I have made. I cannot stress too strongly the need to have a clearly identified position within the Department, as that would anchor the policy on this area firmly within the Department. I make that request again.

Ann Keen: I would not have expected anything less from the hon. Lady. Perhaps that could be discussed with the Minister responsible for these matters during the Bill's passage in the other place.

On the issue of joint working across relevant Departments, I am happy to confirm that, although my Department is in the lead on this matter, it is a cross-Government piece of work. We have a steering group

for developing the strategy which includes representation from all relevant Departments including the Department for Children, Schools and Families, the Department for Work and Pensions and the Office for Disability Issues, and we are also working closely with Cabinet Office and the Department for Communities and Local Government.

I can confirm, as the hon. Lady asked me to, that we will ensure that the delivery plan for the strategy is robust and practical. We will assess the impact of the proposals and the benefits, weighing up the evidence in a systematic manner. We will be able to draw on the work of the NAO to develop our analysis.

I am delighted to be supporting the Bill. I am delighted to have been able not just to make my own contribution but to make the important contribution that the Minister of State, my hon. Friend the Member for Corby, would have liked to make had he been able to be here today. We can confirm that the Bill is in a form that the Government can wholeheartedly support as it continues its journey through Parliament. We have made a difference in this Parliament. The hon. Lady has made a huge contribution, along with her colleagues but, of course, as we all recognise, it is the families and the people with autism who have made real progress. I hope that the House will give the Bill its Third Reading today and that the other place will ensure that it becomes an Act.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Forces Widows' Pensions (Equality of Treatment) Bill

Second Reading

12.38 pm

Mr. Michael Mates (East Hampshire) (Con): I beg to move, That the Bill be now read a Second time.

The past three hours have seen the House of Commons at its very best. All parties have been striving to improve the condition of a minority whose conditions need improving. I wonder whether it is too much to ask that that spirit continues for the next hour or so and that the minority whom my Bill addresses will be treated in the same generous spirit by this Government.

I do not think that I have to, but I declare an interest in that I am in receipt of an armed forces pension, which would not be affected in any way by the Bill. I also want to say that my wife Christine was a war widow until we married, but she will in no way be affected by the Bill. It is proper, in this age of openness, to ensure that one does not omit anything.

This is the second time I have introduced a Bill to correct one particularly odious anomaly in the pension system for service widows, but it is not the first time I have tried to put right the myriad problems that have arisen with the forces pension system as a result of the many changes that have been made down the years. In 1989, the mere threat of a Bill promoted by me helped to persuade my noble Friend Lady Thatcher to agree to put right an unfairness in the treatment of 54,000 pre-1973 war widows. The change that I seek to make today is far more modest in terms of the number of widows affected and the likely cost. There will also, of course, be far fewer eligible recipients today than there were in 1989 because of the passage of time.

Through the Bill, I seek to end the unfairness whereby widows of those who retired before 31 March 1973, more than 36 years ago, receive a pension that is one third of their late husband's pension, while the widows of servicemen who retired on or after that date receive a pension equal to half their late husband's pension.

I am grateful to the Forces Pension Society for providing me with an example, which, sadly, the Ministry of Defence declined to do. The widow of an Army captain who joined aged 21 in 1938, and who retired at 55, as they do, on 1 April 1972, with 34 years' service would be entitled to a pension of one third of his pay then, amounting to some £5,600 today. However, if that Army captain had joined aged 21 in April 1973 and retired aged 55 in April 2007, his widow would be entitled to half his pension. Given the same rate, that would be just over £11,000.

Both widows would have the same sort of household expenditure. One would have had a husband who fought for his country in the second world war, but would receive only a one-third pension; the other would have had a husband who served later and who had probably never gone to war, and she would receive one half of her husband's pension. That difference cannot be dismissed as some technical anomaly resulting from improvements to the armed forces pension scheme. It is a gross injustice that should have been put right long ago. The purpose of the Bill is to enable the Government to put right that injustice, but the Bill would do so in a very particular way.

[Mr. Michael Mates]

I make no secret of the fact that the Bill is worded as it is because of the rules of the House. As a Back Bencher, I cannot introduce a Bill that would increase public spending without obtaining a money resolution. My approach has therefore been to propose a Bill that enables pensions made before and after 31 March 1973 to be paid on the same basis. Before the Under-Secretary suggests that this is a secret plan for Tory "cuts"—I am sure he would not do so—I should make it clear that I am not seeking to reduce anyone's pension, only to increase it.

Any suggestion for improvements to the armed forces pension scheme always runs up against questions of cost. In evidence to the Defence Committee in 2002, the Ministry of Defence said that on the basis of a "broad actuarial assumption"—those were its words—the cost of raising a one-third pension to a one-half pension would be roughly £25 million to £30 million a year. Of course, that cost is falling all the time as widows pass on. Furthermore, the Ministry of Defence figure is a gross estimate. Part of the expense would probably be recouped through higher tax receipts and less spent in benefit payments, but the moral argument is more important to me than the cost.

I hope that I will be proved wrong, but I fear that when the Minister replies to the debate, he will make much the same arguments that a former Minister, the hon. Member for Halton (Derek Twigg), made when my previous Bill was debated. In case he does, let us examine each of them, the first of which relates to retrospection. Whenever a legacy issue relating to the armed forces pension scheme is raised, Ministers say that Governments have always made improvements to public service pension schemes on the basis that they are not retrospective. They say that to single out the pre-1973 widows would be to break that fundamental rule. The difficulty with that argument is that the so-called "no retrospection" rule has been broken before. As I have said, in 1989, the Government made an index-linked payment to pre-1973 war widows as a result of a cross-party campaign that culminated in my introducing a Bill on the subject.

There have been more recent changes, too. Indeed, in a debate on my previous Bill, the hon. Member for Halton made the argument for no retrospection, but promptly discussed what he called the "change of policy" in 2000, which was retrospective in its effect. The changes made in 2000 meant that the widows and widowers of spouses who died in connection with service life could still receive a pension for life after remarriage or when cohabitating with someone else.

The Minister might well say that that was not retrospective because it applied only from that date onwards, but that is not the whole of the Government's retrospection argument. They also say that pre-1973 widows should not benefit from an improvement to the AFPS because their spouses did not contribute towards the improved pension. But the Government chose to ignore that point when they decided that what the Minister last year—rightly in my view—called

"a very special group of war widows"—[*Official Report*, 1 February 2008; Vol. 471, c. 629.]

should benefit from a retrospective change in the pension scheme in respect of remarriage.

The retrospection rule was also broken, in the case of the armed forces, in 1963 when the then Prime Minister decided that the pensions of pre-1958 war widows should be calculated on a more favourable basis, following a recommendation from an independent committee. The Bill is simply part two of that attempt to catch up with past unfairness.

Ministers have, secondly, argued that improvements to public service pension schemes would be unaffordable if they were retrospective. The MOD expressed this point of view in a memo to the Defence Committee, in which it stated:

"Improvements to pension schemes are not applied retrospectively as to do otherwise would make any worthwhile improvements unaffordable".

But my Bill is not proposing that all improvements should be retrospective. On the contrary, I am saying that the widows of service personnel are a special case. People who join the armed forces risk their lives for their country in a way that no other group of public sector workers do.

It is hardly credible for Ministers to say that raising the one-third pensions to one half for pre-1973 widows is unaffordable. The Government admitted to the Defence Committee in 2002 that they did not know how many such pensioners there were. I have tabled several questions over the years and have received the same response. The Government are unable to tell us how many widows there are whose husbands retired pre-1973, so suggesting that the cost would be up to £30 million a year has no credibility because no one can back it up.

Quoting sensational figures for the cost of some other retrospective changes, as the Minister did last year, is all very well but it avoids serious discussion of the plight of elderly widows on very low incomes who are now in the autumn of their lives. These are women who have been widows for at least 36 years. We should be focusing on their situation and not on far-fetched arguments about cost.

The final argument that Ministers have made is related to the last one. It is said that it would be unfair to single out one section of public sector pensioners for improvements in their pension because that would discriminate against other public sector pensioners. I regard this argument as absurd. Public sector pension schemes are not all identical. They reflect the nature of the occupation, including the degree of risk involved in day-to-day employment. The armed forces are in a different position from other public sector employees in both their conditions of work and the degree of risk involved.

There is an important but small additional difference between the armed forces pension scheme and the others. Members of the armed forces pension scheme are not represented on the pension scheme by trustees or other independent persons. Service personnel are entirely reliant on the Ministry of Defence to look after their interests. When the MOD fails to do that, as in this case, Parliament must step in. Sometimes in politics we are called upon to speak up for a group of people who do not have a powerful voice, people who cannot easily make their case in the public arena. This is one example. It follows the example that we have been debating in such a constructive fashion for the past three hours.

The widows who are trying eke out their existence in retirement on one third of their late husband's pension are a diminishing number as nature takes its toll. The

Minister has the chance to correct an unfairness and do the right thing by these widows, whose husbands did so much for this country and its freedom. I urge him do so, and I ask the House to support the Bill.

12.48 pm

Dr. Andrew Murrison (Westbury) (Con): I congratulate my right hon. Friend the Member for East Hampshire (Mr. Mates) on bringing his Bill to the House and on the manner in which he presented it. It is a cause for which he has campaigned tirelessly, and I pay tribute to him for his perseverance.

I declare an interest as a service pensioner, a distinction that I share with my right hon. Friend. Although our service did not overlap, I believe we served for about the same length of time and retired at the same rank. It is more than a year since the Bill was debated in the House, a period in which our armed forces have continued to make us proud, whatever position we have taken on the Government's foreign policy. Much has been spoken of the military covenant since 2003. The men and women of our armed forces have every right to expect Government to keep their side of the bargain in relation to the military covenant. The deal includes the proper recognition of the crucial role and sacrifice of dependants—a fact that, I think, is acknowledged by all parts of the House.

The Bill was last debated on 1 February 2008 and my right hon. Friend has given the background to it. We have heard that, prior to 1973, the widow of a retired serviceman was entitled to a pension equal to one third that of their spouse. In 1973, the armed forces pension scheme was improved. Service widows' pensions were upgraded to half the spousal rate on that part of the pension earned by service after 31 March 1973. The difference between one third and half in respect of widows constitutes one of the armed forces pension scheme's legacy issues to which we can add others, such as pension troughs, post-retirement marriage widows' pensions, the pre-2005 non-attributable widows' pension, Gurkha pensions and a number of others on which the Forces Pension Society briefs so admirably.

This issue has, quite rightly, generated considerable interest among the public, and I notice that the Bill has cross-party support. In February last year, the Minister's predecessor estimated the cost of upgrading all pre-1973 widows' pensions to the half rate to be £30 million pounds. Will the Minister today tell us the updated figure and how many widows would benefit from the changes that my right hon. Friend seeks? It is only fair to say that it has been the policy of successive Governments to resist retrospective changes to existing pension schemes on the ground that to do otherwise would invite consequential and unaffordable public sector demands. I have no doubt that the Minister will cover some of those points in his remarks.

When the Bill was last before the House, the then Minister estimated that the wider cost implications might total £3 billion. Is that still the Ministry of Defence's estimate, and how was that calculation arrived at? Members will no doubt be aware of the provision in the amendments of 31 March 1973, which enabled members of the armed forces still serving on that date to buy in their prior service to the half-rate scheme. Apparently, it was a popular option, but it was not extended to people who had already left the services, and my right hon. Friend's Bill is chiefly aimed at that group. If the retrospective changes that he seeks were made, the large number of voluntary buy-ins and their extra contributions would, presumably, have to be taken into account. How many people might that involve, and what is the value of their voluntary contributions?

I acknowledge that change can sometimes be achieved without risking meltdown in the public finances. In doing so, I note the amendments in 2000 for widows and widowers whose spouses died as a result of their service, and they may now retain their pensions on remarriage. The provision was extended to all widows under the terms of the armed forces pension scheme 2005, although not to those whose spouses died prior to transfer to the new pension scheme—an apparent anomaly that was brought to my attention by a service widow who came to see me recently, and about which I have written to the Minister. Given that, evidently, change is possible, I look forward to hearing what plans the Minister has for further improvements to the armed forces pension scheme.

12.53 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): I shall be very brief in light of the time that is left. I congratulate the right hon. Member for East Hampshire (Mr. Mates) not only on introducing the Bill, but on his long-standing work on the issue—work that I had heard of before I entered Parliament.

We support the Bill, because it removes the use of arbitrary dates as a means of deciding financial support for the individuals whom we are considering. We firmly believe that we need to recognise the value and contribution that forces families make, and we believe that a Government's commitment to the military covenant should never be called into question. We welcome the Bill also as a step towards resolving many outstanding issues that service personnel feel need to be addressed, and we would like to be swiftly implemented, because—obviously and as had been said already—fewer forces widows are likely to see the benefit if time goes on and on before the change is made.

12.54 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): I congratulate the right hon. Member for East Hampshire (Mr. Mates) on introducing this Bill. His success in the ballot suggests that he has the same lucky touch that I had. His Bill calls for the equal treatment of pension provision for forces widows. He has clearly followed the usual advice to keep it as simple as possible to ensure that people could not fillet it when it came before the House.

A similar Bill was introduced in December 2007, with its Second Reading taking place on 1 February 2008, when the debate was adjourned. The Bill was twice rescheduled, for 22 February and 17 October, but unfortunately for the right hon. Gentleman, it was not reached. The main proposals in the Bill were also extensively debated during the passage of the Pensions Act 1995. I pay tribute to the support that the right hon. Gentleman has given to members of our armed forces, not only in promoting this Bill but generally over many years.

[Mr. Kevan Jones]

As Minister for veterans, I always find it a great privilege to meet veterans and widows. Those widows are very varied. Some are very elderly, but there are now some who are very young as a result of the conflict in Afghanistan. Last Friday, one young widow, Victoria Bateman, convinced me and the hon. Member for Colchester (Bob Russell), foolishly, to do a parachute jump with her to raise money for the Parachute Regiment charities. She is a young lady of 24, which demonstrates the differences that exist, which are also, of course, reflected in our veterans. There are our second world veterans and the two remaining first world war veterans, but also the younger veterans that we have today.

This Government have a proud record in supporting veterans and armed forces widows. To their credit, they introduced the post of Minister for veterans—a job that I am very pleased and proud to do—to recognise the special debt that we owe to veterans in society. The success of the veterans badge is shown by the fact that more than 715,000 individuals have applied for it and are wearing it with pride. I hope that all right hon. and hon. Members will participate in armed forces day on 27 June, and the lead-up to it, not only to say thank you to today's servicemen and women but to support and recognise our debt of honour to our veterans from former conflicts.

As the right hon. Gentleman intimated, the Bill does not only deal with retrospection in benefits paid to widows; it has an impact not just on that scheme, but on other schemes involving the Ministry of Defence and other public services. As he said, when someone joins a pension scheme, the terms and conditions under which they do so are clearly laid out, and it has been the policy of successive Governments that retrospective benefits are not paid in the MOD pension scheme or in other schemes. As he rightly said, the issue to consider is affordability. This Government have made only one exception to that rule, to which I shall refer later. It rightly applied to a specific group of defined widows.

Mr. Mates: So does this.

Mr. Jones: But the numbers involved are different, and I shall certainly cover that matter later.

We need to deal with the principle of retrospection, and it is important to put the Bill and the matter of pension provision in historical context. Over time, the pensions of armed forces and other public sector workers have been changed and amended. Quite rightly, successive Governments have tried to improve the benefits of those schemes. Unfortunately, we are now perhaps entering a period in which they will not be enhanced, because in some cases affordability will be limited. We cannot ignore the cost to the Exchequer of the armed forces pension scheme or any other scheme.

There has been a trend of improvement, and successive Governments of different political persuasions have introduced changes. The original armed forces pension goes back to 1831. I was going to look up the 1831 Act to compare it with today's arrangements and see how things have changed, but I think that would try the House's patience a bit. The forces family pension scheme was introduced in 1952, and it set out what widows of RAF officers and warrant officers who had served after 31 August 1950 were entitled to, subject to stringent conditions. That was the first time that it had been ensured that families and widows were taken into consideration. It was a different time, and people did not have the access to pension support that we do today.

That first scheme created a category of people called class 1, who were considered for a pension when death occurred during or after service. The pensions were at a flat rate according to rank and did not vary by length of service as they do today. The rate was doubled if the death was accepted as having been due to service. That is very different from today's scheme, in which both length of service and rank are considered.

The scheme was quite harsh in a lot of ways, because it was an either-or scheme. No widow could qualify for both a pension from the Ministry of Defence on grounds that their husband's death was due to service—that was called a "special" pension—and one for other related service, which was called an "ordinary" pension. A widow qualified for state widow's benefits only subject to stringent conditions, and only if her husband's death was not due to service. The tests that were set, not just by the MOD but by the broader welfare service, were therefore harsh. The state benefit was only 10 shillings a week. For older Members, let me say that that is 50p in new money. The special pension for death due to service was more beneficial.

The widow of a man who had held the rank of warrant officer class 1 but did not serve after 31 August 1950 was entitled to the special pension only if his death was due to service, which created a class of pensionless widows. That demonstrates that, even in the early days of developing armed forces pensions, not all widows were covered. The issue that comes back time and again in the context not only of armed forces pensions, but of other pension provision, is that when we move dates or change benefits, some people lose out.

Mr. Simon Burns (West Chelmsford) (Con): So that we can put into perspective the impact of the pension on recipients at that time, can the Under-Secretary tell me what the state pension was?

Mr. Jones: As usual, the hon. Gentleman makes a useful intervention. If he uses the great services of the Library, he will find the information, but I do not have the answer at the moment. The key point is that whenever a new pension is introduced, there are always winners and losers. That happens today, too, and I will say more about that later.

There were stringent conditions relating not only to the husband's length of service, but to age, marriage and even the age difference between the man and the woman. The system was far from simple. The main requirement was that the marriage took place before retirement or discharge. The resultant pension was awarded subject to a means test. As the hon. Member for West Chelmsford (Mr. Burns) suggested, the state pension was taken into account.

Until 1939, for the RAF, both types of pension—special and ordinary—were paid out of the MOD vote. However, the responsibility for funding a pension for death due to service in the case of those who served after 3 September 1939 was then assumed by the Ministry of Pensions, which would be the Department for Work and Pensions today. The pension was called a war award. As has been

said, where the money comes from is important. It is Government money, but we must ensure that there are not burdensome pressures, not only on the general Exchequer but on the defence budget . Even back then, there were competing demands for funds.

The rate of pensions was not altered until 1950, but increases were awarded, with other service pensions, under legislation in 1944 and 1947. Improvements in benefits were considered after the post-war pay and pensions review and resulted in a new benefit called the family pension scheme, which was introduced by Command Paper 8741, payable from 1 December 1952. It relates to those who served in the armed services after 31 August 1950.

It is interesting to note that the then Government considered whether improved family schemes should be financed by a contribution from the serviceman. I think that the right hon. Member for East Hampshire referred to that. We must remember that the schemes that we are considering are not funded. The individuals do not make contributions, although I accept that under the current scheme, people's pay awards are taken into consideration as an abatement, which sometimes causes concern and resentment in parts of the armed forces. It is sometimes difficult to explain the figures when calculating wage awards.

It was decided in 1950 that the non-contributory scheme should continue because applying a contributory scheme to the services presented too many difficulties. The right hon. Gentleman said that servicemen and women are a unique group, and I agree. However, there is some crossover with the police and fire service. Again, their schemes are non-contributory and those individuals put their lives at risk, but I accept that the armed forces are unique, and there is nothing comparable that we could consider. However, anyone who is involved in local government will know that those two schemes, which are both unfunded, are under a lot of pressure.

The main changes to the scheme were introduced for those who served after 31 August 1950. The new scheme again demonstrated that pensions policy evolves, with the introduction of new measures, which were not retrospective, including the abolition of some of the restrictive conditions of the former scheme. The pension for widows of men below the rank of WO2 who had served after 31 August 1950 also qualified, subject to length of service. Again, we get a sense of dates being introduced that improved benefits, but those benefits were not made retrospective.

Payments of a reduced pension called a modified pension—this is where the length of service and other conditions were satisfied—were made from MOD votes to widows who qualified for the war award from the then Department of Health and Social Security. Another important change was that the conditions requiring marriage to have taken place before retirement or discharge were relaxed, only to recognise the re-employment service given during 1939 to 1940, so that if a serviceman qualified for a reassessed pension and his date of marriage preceded the date of the completion of his re-employment, his widow could be considered for a pension.

The length-of-service conditions were also changed. In particular, the length-of-service conditions for the payment of a forces pension to a widow of a man below the rank of WO1 who died after discharge were: 22 years for a man at the rank of WO2 or a flight sergeant; 27 years for a sergeant; and 32 years for a corporal or below. That created a second category of pensionless widows, because the husband would be receiving a pension regardless of rank if he had completed 22 years' service after 19 December 1945, but only if he had completed a longer term than that required by the widows regulations. Again, the system changed, with the consequence that widows whose husbands did not meet the new criteria did not receive a pension.

The legislation covering rates has also changed over time. The ordinary pension was paid at a flat rate according to rank, with variations relating to length of service for widows of men below the rank of WO1. The flat rates attracted increases under subsequent measures to increase pensions, and they formed the basis of what was called the minimum rate, for which any widow whose husband had retired or been discharged before 31 March 1973 could qualify, where the benefits to which they were entitled under other provisions were smaller.

The introduction of the modified pension was necessary because it became obvious that a widow qualifying for an ordinary pension plus state pension benefits, which had by then improved, could be financially better off than a widow of a man whose death was due to service, but who was receiving only the war award, as it was still known. Modified pensions were approved for war award widows who otherwise qualified for an ordinary pension. Again, there was a flat rate by rank, which was equal to approximately half the ordinary pension for officers, to two thirds of the pension for those at the rank of WO1 and to the special rates for lower ranks. Those pensions also qualified for the increase in benefits.

The war award benefits paid by the then Department of Health and Social Security were related to rank. There was no minimum length of service required, and the date of marriage was not a barrier if death occurred after 3 September 1939. Some would argue that that illustrates two systems working side by side, possibly resulting in unfairness because some people qualified while others did not. Perhaps this demonstrates the long history of unfairness that has built up in the system over many years.

In 1958, the Grigg committee's recommendations were accepted by the Government and were introduced and payable from 1 April 1959 for widows of men who had died after 4 November 1958, regardless of when their service ended. However, the changes did not benefit the widows of men below the rank of warrant officer who were discharged before 31 August 1950, or the widows of men discharged after that date who had died before the introduction of the changes of 5 November 1958 and who had not previously qualified. Again, this is a change that some would argue disadvantaged certain individuals.

The revised provisions at that stage gave widows an ordinary pension of a third of their husband's original retirement pay or pension, or a third of the invaliding pension for which he would have been eligible if he had died while serving. The modified pension, where death was due to service, was set at half the ordinary rate. Widows' pension attracted the benefit of an increased measure introduced since the date of discharge or death in service. The minimum rate could be paid as an alternative, where that was more advantageous.

[Mr. Kevan Jones]

It soon became clear that, because the new benefits were awarded to the widows of men who had died after November 1958, regardless of their date of retirement or discharge, anomalies were being created between the flat rate and the two-thirds award given to the widows of men with exactly the same service record and dates. So the widows of two men who had served for exactly the same length of time could be treated differently.

It also became clear that many widows of men whose death was due to service were worse off financially than they would have been, had their husbands died in normal circumstances. Approval was given to reassess the former, and to introduce a supplementary pension for the latter group. This recognised the unintended consequence of the changes, which had left a group of widows at a disadvantage.

Under the Grigg reassessment, as it was called, all existing widows' pensions were given the benefit of a third principal ordinary pension or a sixth principal modified pension, instead of the pension that they were receiving, where that was to their advantage. The scheme was designed to help those who had been disadvantaged, but the revised rates were paid from 10 December 1963, and the underlying principle of all the changes was not one of retrospection, which is what the Bill calls for.

The supplement was introduced to ensure that the total pension income of the widow of an officer who was receiving a war award would exceed the income that she would have received had her husband's death not been due to service by at least £26 a year. I have asked how that amount was chosen, because a lot of these figures seem arbitrary—

Mr. Mates: Ten shillings a week.

Mr. Jones: The hon. Gentleman has expressed it in old money. Why it was £26 a year, I am not sure. I asked my officials if they could dig down on that, but it has obviously been lost—perhaps somewhere in civil service heaven can be found the reason why that amount was arrived at. Obviously, it was seen as the right amount at the time. I might receive correspondence explaining why it was £26 a year from someone watching or following this debate who was involved in the issue at the time.

A constant revision and adjustment of all war award cases was the result, so each time the state benefit changed, changes in pension increase measures were introduced. It was also relevant if a child completed education. Here is an example of changes to state benefits impacting, because of the link, on changes to war pensions. The supplement for widows of a warrant officer was 7 shillings a week—in old money, the right hon. Member for East Hampshire will be pleased to hear—and it was 5 shillings for other ranks. In view of my audience in the House today, or perhaps those listening to or following our debate, I should have asked my officials to put all my figures into old money, as that would have been more useful to them.

The next major change was the adjustment in 1971. It became increasingly apparent from the size of the supplements we were paying and the increase in state benefits that the amount of modified pension needed to be improved. A financial comparison between the normal widow receiving ordinary pension from the Ministry of Defence plus state widows benefit from the then Department of Health and Social Security and those receiving a modified pension plus a war award from that same Department revealed a significant difference in supplement amounts. It was decided that the modified pension within the forces family pension scheme should be replaced by a benefit, reduced by the rank element in the war award, which continued the principle that the war award widows should be financially better off than widows of a serviceman of similar rank who "died normally"—well, that is what it says in my brief, but I question whether it is possible to die normally.

Mr. Mates: Natural causes.

Mr. Jones: Yes, "natural causes" is better terminology than "normal circumstances".

The war award widow received from 1 September 1971 a total income equivalent to a full forces family pension plus a basic war award pension, instead of a full forces pension plus state widows pension. That is important. In the debate over war widows pension, we sometimes forget that people are in receipt of other benefits from other pensions that the state provides. I think that that provides considerable help to those individuals.

The basic war award in 1979 exceeded the standard widows pension by about £6 a week. No doubt the right hon. Member for East Hampshire will be able to tell me what £6 was worth and what it could buy in 1979. The hon. Member for West Chelmsford is obviously too young to know what that could buy in 1979—I am flattering him, as usual.

A supplementary adjustment was also necessary for the widows of long-serving and mainly high-ranking officers who qualified before 1954 for a war award, but who also had as an alternative the right to an ordinary pension. The Grigg formula from the Grigg committee and the improved state pension resulted in their being worse off financially—another example of the unintended consequence of changes. Approval was given for a supplement to be paid by the Ministry of Defence equivalent to the amount by which the forces pension would have exceeded the war award.

Dr. Murrison: There has only been one year since 1939 in which our armed forces have not been engaged in some sort of conflict. Does the war award refer simply to awards that can be attributed to second world war service, or to subsequent conflicts? If so, which ones? Does the Minister mean "attributable" widows, or simply widows of servicemen who have been killed in conflict?

Mr. Jones: As I understand it, the scheme refers to both. The distinction that we made, which I shall come to, relates to the 2000 decision, which, as the right hon. Member for East Hampshire said, made an exception for widows of those who had been killed in conflict. There was rightly a retrospective element to that. The defined nature of the individuals to which the hon. Member for Westbury (Dr. Murrison) referred covers only a small number of people. I am trying to demonstrate that the pension schemes have changed over time. Those changes have been made by, I think, successive Governments of all political persuasions, to improve the lot of war widows, who all hon. Members would recognise are a special case.

The 1973 changes relate to the Bill. Following a Government plan to introduce occupational pensions for all employees, the half-rate benefit for widows was also introduced for the public service. Before that, there was no defined right to a pension. For many people in many jobs who worked for quite a while and left before accruing the necessary number of years there were no preserved pension rights.

There were three main benefits to the changes to pensions for servicemen and their widows. For half-rate pensions, for all service after 1 April 1973, an opportunity was afforded for all personnel serving at that rate to buy in a pension at half rate instead of a third of the rate for pensionable service completed before that date, a point made by the right hon. Member for East Hampshire. A number of individuals took up the offer to pay the increased buy-in. A consequence of the Bill would be to discriminate against those who made that choice.

The second benefit was that the rate of pension paid by the MOD for the first 91 days of widowhood was to be the basic daily rate of the RAF pay or, for those already retired or discharged, a rate of payment at the date of death where it exceeded a half or a third of the entitlement.

The third change was a reduction of the qualifying period for a pension in cases of death to five years from the age of 18 for both officers and other ranks. The widow's pension was to be calculated as a proportion of a man's invalidity entitlement at that time. The invalidity pension rates were also enhanced.

A special rate—an attributed pension related to rank—not dependent on a minimum period of service could be paid where death in service was found to be attributable to service. The death gratuity was also changed. It was formerly payable only to widows of those who died in service. It became payable in all cases. The amount was to be equal either to the terminal grant or twice the maximum rate of retired pay for whichever rank had the higher award. That was another alteration, but the rules on marriage remain unaltered in the new legislation. Again, those benefits did not apply retrospectively; they applied only to widows of men who gave service after 30 March 1978, and they were additional to any entitlements under Department of Health and Social Security regulations.

Under the state scheme at this time, the Ministry of Defence was required to provide a pension payable from age 60 for those who had completed not less than five years of service. Prior to 1975, there was no right to preserved pensions in any public or private pension schemes, and most schemes had very restrictive criteria for awarding pensions. That was not just the case for the Ministry of Defence. The qualification for a pension under civil service arrangements was that an individual had to be over the age of 50 and to have served for 10 or more years. Those who left voluntarily before meeting those criteria lost rights to pensions. Armed forces occupational pensions were awarded only if a member had completed at least 16 years of reckonable service as an officer or 22 years of reckonable service in other ranks, and reckonable service was paid after the age of 21 for officers and 18 for other ranks. Engagements for shorter periods were not permissible.

I am aware that there has been a campaign on behalf of individuals who served during this period but did not get any pension. Last Saturday, I had the honour of meeting almost 300 veterans in Clumber park in the constituency of my hon. Friend the Member for Bassetlaw (John Mann). Several people raised the preserved pension issue, and we have to feel very sorry for some of these individuals who served their country. One person had been in the Navy for 12 years and had got no pension for that. Again, the changes were not retrospective in this case, and the argument put forward was—as it is again today—that retrospection would make that scheme unaffordable.

A group representing those who did national service has also been campaigning on this issue. Prior to 1975, there was no statutory provision requiring employers to allow a national serviceman's period of compulsory service to count towards an occupational pension. However, the notion of its contributing towards a state pension was made on behalf of those on national service terms, and the changes brought about by the 1973 legislation and the subsequent social security Act did not apply to those national servicemen.

I make the point about preserved pensions because although the right hon. Member for East Hampshire rightly raises the injustice that war widows feel, if he were to meet the individuals who did not get preserved pensions, he would find that they feel equally hard done by. Although it is hard to explain, I sometimes have to say to people that changing the legislation and retrospectively paying would be unaffordable. My hon. Friend the Member for Morley and Rothwell (Colin Challen) has tabled early-day motion 46, and he has campaigned very hard to get recognition for this group.

On 31 January 2007, the then armed forces Minister set out the background to this legislation and the changes that took place in 1975, saying that there was no conceivable prospect that this or any other future Government would pay out to those individuals.

Mr. Mates: The Minister is dealing with the Bill fairly, but it is very hard to explain these anomalies to certain people who are suffering from them. The scheme he talked about would clearly be unaffordable, so that is a pragmatic reason for not implementing it. But providing for this particular group of people is not unaffordable—or is it? We do not know because he has not yet given us any figures.

Mr. Jones: I hope that the right hon. Gentleman will wait with anticipation for my figures. What we cannot do, both with this group of widows and with others, is treat people in isolation, because there will be consequences, and not just for other Departments. All I am trying to demonstrate is that there is a group of pensioners, some of whom served their country with great distinction, who, through no fault of their own, have no pension entitlement, even though they have served for a number of years. I agree with him that it is difficult to explain all this. The gentleman whom I met last week at the Bassetlaw event had served for 12 years, and some of his service had been in Korea. He had been in some dangerous situations, and he is clearly somebody who we should thank for his contribution to the security of this country. Again, I am trying to demonstrate that if the Bill were to go through today as it stands, other groups would have strong cases to say that we should deal with them, too.

I am trying to demonstrate that all changes have unintended consequences and things can be hard for the individuals in question. Other changes that were

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introduced, with some exceptions in respect of short service, and air crew and others, meant that widows of men with preserved benefits entitlements would automatically qualify for a widow's pension, provided only that the marriage took place before discharge. Where their husband's death occurred before the age of 60 the terminal grant is payable to the entitled widow. Again, it is difficult to explain to some widows why those changes affected them. The appropriate benefits are increased across all measures from the date of discharge.

Some changes came in on 6 April 1978, with effect from the introduction of the state scheme, which provided the widow's pension based on the husband's working entitlement. The date of marriage provision as it applied to service awards needed amendment. Where marriage or remarriage is after discharge or retirement, a pension may be awarded, but only relating to the pension or retirement pay earned after 6 April 1979. A number of other benefits were paid under the scheme.

Another scheme that changed and had consequences in different ways was the children's pension. Such pensions were payable to widows or whoever had care of an eligible child. The benefits were provided at a flat rate until 1958; they were at a third of the rate payable to widows in respect of each eligible child, with no limit on the number of children who might benefit from that award. From 1 April 1973, the amount payable for each child was equal to a quarter of the father's retirement pay or invalid pension, subject to a restriction in respect of a maximum of children. That again demonstrates that changes were introduced that would affect people, either in the future or retrospectively. The attributable rates were flat rates by rank; these were subject to there being a maximum of four children.

Benefits for motherless children—a horrible term—were at a higher rate of two thirds of the widows benefit from 1958, and a third of the father's pension from 1 April 1973. Death gratuities, payable to the eligible widow at a flat rate, were introduced in 1950. These were increased to 90 per cent. of the husband's terminal grant from 1958 and to 100 per cent. from April 1970, but no retrospection applied to that increase. The alternative, if financially beneficial, from 1 April 1973 was twice the top rate of retired pay for husbands, and those payments were tax free at the time. All service pensions are taxed as earned income. The war award pension paid by the old DHSS was 50 per cent. tax free from 1 April 1976, and tax free from 1 April 1979.

The right hon. Gentleman referred to some of the recent enhancements, which continue the trend of successive Governments trying to improve the lot of our servicemen and women and of widows. He gave the example of the changes in 2000. Since then, benefits for widows and widowers where death was attributable to service have been continued on remarriage. Since March 2003, pensions and compensation have been made available to eligible unmarried partners for service deaths relating to conflict. I was pleased to be involved in the Bill that brought that in. It was clearly an anomaly that individuals who were not married did not receive a pension. I recall the case of a major who was killed and whose partner was not automatically entitled to a pension, so an exception had to be made. In September 2000, the concession was extended to deaths attributable to service, and since April 2005 death in service lump sums have risen to three or four times pensionable salary, depending on the individual scheme.

The introduction of the new pension compensation scheme in April 2005 was a considerable achievement at the time, when other schemes in other areas were under pressure to move away from defined benefits. That debate is still going on, and I know that Conservative Front Benchers are keen to advocate examining whether cuts or changes need to be made to public sector schemes. The benefits provided under the 2005 scheme compare favourably with public sector schemes and those in the private sector. That reflected modern practice and the increase in family benefits. However, the new benefits, like all the other changes that I have outlined, were not retrospective, continuing the position taken by this Government and others on changes to improve the lot of our armed forces.

May I turn to some of the more recent improvements for war widows? A number of improvements have been made to pensions provision for war widows in recent years, including, as I have already mentioned, the April 2000 changes that introduced the payment of a pension for life for those pre-1973 widows who were in receipt of a pension at the time. The change was not made retrospectively, as with other changes that had been brought in.

Additionally, the war widows' special allowance, which is now known as a supplementary pension, was introduced in April 1990 and is payable to widows who receive a war widows' pension in respect of the death of a serviceman who died or left the services before 31 March 1973. Again, being the inquisitive soul that I am, I asked why we came up with such a precise date. The person in the MOD who came up with it, however, is obviously in civil service heaven or its equivalent.

A war widow's pension is paid only when death is due to service. It is not normally a survivor's benefit. The purpose of the measure was to bring the overall pension provision for war widows more into line with the provision for those widows whose late spouses' death were due to service on that infamous date of 31 March 1973 and who were receiving an attributable pension under the armed forces pension scheme.

For instance, prior to the allowance, world war two widows whose husbands' deaths were due to service received only a war widow's pension while a Falklands widow received both the pension and an attributable pension under the armed forces pension scheme of 1975. As at December 2008, more than 90 per cent. of all war widows were in receipt of the supplementary pension.

May I turn to the changes that have been made that apply to current members of the armed forces? There are two main pension schemes for current members of the armed forces. One is the armed forces pension scheme of 1975, known to the Department, which loves its acronyms, as AFPS 75—anyone who deals with the MOD knows that people need a dictionary of acronyms when they become a Minister. I am still trying. I was speaking to Lord Robertson the other day, who said that he failed in his time to get the Department to stop talking in acronyms.

The armed forces pension scheme of 1975 was closed to new entrants on 6 April 2005. The armed forces pension scheme 2005 was then introduced on 6 April 2005.

It is important, seeing as I am an anorak about dates, to remember that whenever a pension scheme or benefit is changed, there has to be a date. People will always fall on one side of that line or on the other.

The reserve forces pension scheme—the RFPS, as it is known in the MOD—was also introduced on 6 April 2005. I was pleased to be on the Committee on the Bill that introduced that measure, and we also changed the compensation that we paid to injured service personnel. The Government also provide compensation for individuals who are injured or disabled as a result of service. The current scheme for injuries received due to service on or after 6 April 2005 is the armed forces compensation scheme, or AFCS for those in the MOD. The war pensions scheme, the WPS, provides no-fault compensation to any former member of the UK armed forces who was injured or disabled as a result of service before 6 April 2005.

I am pleased that the armed forces compensation scheme provides a tax-free sum for pain and suffering according to tariffs for injury, ranging over 15 sums from £1,155 to £570,000. Hon. Members may say that that is not pension, but it demonstrates that we, like other Governments, have made a change in how we compensate members of the armed forces. Again, that compensation scheme is not retrospective. The right hon. Member for East Hampshire and I have received representations from many individuals who were injured before the scheme was introduced. People might ask why their case cannot be considered under the scheme. That comes back to the point that whenever one makes a change, there will be a cut-off date. That is seen as unfair for the individual who is not eligible. It is a hard issue for any politician. I know that both he and I would like to do the maximum possible for our servicemen and women, who have fought on behalf of this country. It is not easy to explain about the arbitrary date that is introduced.

I have mentioned the legacy issue concerning preserved pensions. As I have said, my hon. Friend the Member for Morley and Rothwell tabled early-day motion 46, which has secured quite a lot of support. It, too, is about the retrospection of a scheme. It is important that we do not build false hopes. We should not say that a scheme will be changed when it is clear that the change will not be introduced if it is not affordable for this or any future Government.

I met Major-General Moore-Bick of the Forces Pension Society and my hon. Friend the Member for Hastings and Rye (Michael Jabez Foster) on 10 December last year to discuss the issue raised by the Bill and the remarriage issue—that is, whether we should change the provision that, when people remarry or cohabit, they can keep their pension. It was interesting that the one thing that they emphasised—I have sympathy with the individuals concerned—was that they did not feel that the scheme could be retrospective. I am a cynic at times, as many in the Department know. I wonder whether we sometimes try to look for solutions that are more difficult than the problems that are presented to us. If we were to make a change to allow people who remarried or cohabited to retain their widow's pension from today, would not a large group of individuals who had lost that pension in the past come forward and ask why today's date was chosen? That shows the difficulty with the arbitrary dates chosen. I will talk again to Major-General Moore-Bick, because he is a great champion of widows and armed forces pensioners in general.

The right hon. Member for East Hampshire raised the issue of the one-third and one-half rates, which I have already touched on a little. Until 1973, widows of retired servicemen were entitled to a pension equal to a third of the pension of their late husband. As a result of the major changes made under the Social Security Act 1973, which improved not just armed forces pensions but other public sector pensions, and pensions more generally, the rate increased to one half from April 1973, but only for the widows of those in service from that date. As I have said, service personnel were given an opportunity to make a direct contribution and to buy in former service at the half rate. It is predicted that it would cost up to £30 million a year to change all pre-1973 armed forces widows' pensions to the half rate. The implications of such a change across Government would be considerable, because other public service schemes would look into the change.

I sympathise with the right hon. Gentleman. I find it frustrating that what we do in one Department has an impact on another. We might wish to introduce changes independently for our special group of servicemen and women, but those who advise me and others must consider the implications across Government.

Mr. Mates: I am grateful to the Minister. I am sure he needs to get off his feet for a minute in the middle of this marathon. The figure of £30 million that he quotes is the same figure as we were quoted last year, and it was quoted eight years ago. It must have varied because there are fewer widows. Where does he get it from? How many widows are there? How much would the proposed change cost per widow? If we knew that, we could better judge the Minister's allegation that it is not affordable or that it is not right.

Mr. Jones: I agree, but the issue of retrospection arises. I am happy to speak to him after the debate, to see what we can do to establish the number of widows. I met some actuaries last year. I foolishly asked to meet them, strange as they are. They come equipped with charts and so on. Actuarial figures are not an exact science, but they are based on the rate of people going to meet their maker and other demographic changes. If the right hon. Gentleman would like to talk to me afterwards, I will be happy to meet him.

Mr. Mates: The Minister destroys his own argument. If the figure is based on the course of nature, and we know that there are far fewer widows—they are all in their 80s—how has it remained at £30 million for the past six years? It has been plucked out of the air by an official who thinks that he will get his Minister to quote it and get away with it, but it is not satisfactory, is it?

Mr. Jones: Does not the right hon. Gentleman think it would be very unfair if, for example, we were to pay the increase now, but the estate of somebody who went to meet their maker a week before or a year before did not have a claim on it? It is not as simple as he suggests. Moreover, as I mentioned, members of the armed forces who served after 31 March 1973 were given the option to buy in their previous service. Would it not be unfair now to extend the enhanced benefits to widows of husbands who had not taken steps to acquire that

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financial improvement? Compensation would be difficult. Would we have to set up a scheme to pay back those who had chosen to pay the additional contribution?

Post-retirement marriage is another problematic example that dates back to the Social Security Act 1975, which had implications for the AFPS and many other schemes. The Act required occupational pension schemes to introduce a pension for widows who married their husbands after they had retired from service. Provision was made in the armed forces pension scheme in 1975 to comply with the Act, but only widows whose husbands served after April 1978 benefited, and only service after that date was used to calculate the pension. For widows, the change was not introduced until April 1989, and then only for service from that date.

The one-off extension of entitlement to all current and deferred AFPS pensioners would, the right hon. Gentleman will be pleased to hear, cost about £50 million. Again, there would be a crossover effect on other public service schemes.

The other issue that affects pensions is commonly referred to as the pension for life. Following a change of policy in 2000, widows and widowers have been able to retain their pension on remarriage or cohabitation—a point that the right hon. Gentleman made. However, the change was extended only to those individuals who had not already remarried or cohabited. The changes that were made in 2000 were exceptional and for a special group of war widows, and they were not extended to the widows and widowers whose spouses had died for reasons unrelated to service life. That was a defined group of individuals to whom the right hon. Gentleman referred.

In 2008, the Government Actuary's Department conducted a detailed study of the costs of providing pensions for life for non-attributable widows, and found that the cost of providing pensions for future service would be about £14 million a year. That would gradually decrease, as the right hon. Gentleman suggested, as the number of AFPS pensioners fell—as they got older and the grim reaper took his toll. Using the rates in the 1975 AFPS, the retrospective costs would be about £70 million, but they might be as high as £350 million for the armed forces scheme. I asked for the figure throughout the public sector, and I shall be quite happy to share the information with the right hon. Gentleman afterwards. It would be about £3 billion, although I accept his point that, as years go by, it will decrease. Again, however, such a measure would be unfair.

No Government have retrospectively changed pension entitlements under the schemes. It is worth looking at the similarities between the provisions of the Bill and the changes that were introduced in the Pensions Act 1995—being an anorak, I spent last night trying to see the crossovers. The main clauses before us were tabled during the passage of the 1995 Act in order to do exactly what the right hon. Gentleman wants to do today. New clauses 11 to 14 were introduced by Mrs. Ewing, a Scottish Nationalist Member at the time, and they were voted on. The right hon. Member for Richmond, Yorks (Mr. Hague), who was a Minister in what I think was the Department for Social Security in 1995, resisted new clause 11, and it is worth noting what was said in respect of the other new clauses:

"With this, it will be convenient to discuss also the following: New clause 12—Post 1973 war widows— 'Notwithstanding any other enactment, a widow awarded a Forces Family Pension (Attributable) shall receive that pension for life.'. New clause 13—Post 1973 war widows (No. 2)— 'Notwithstanding any other enactment, a widow in receipt of a Forces Family Pension (Attributable) shall receive that pension for life.'. New clause 14—Post-retirement marriage: service widow's pension— 'Without prejudice to benefits already available under the terms of the Armed Forces Pension Scheme for widows of members of Her Majesty's Armed Forces with service beyond 6th April 1978, no widow of a member of Her Majesty's Armed Forces shall be disqualified from receiving a full pension under that scheme in relation to her late husband's membership of Her Majesty's Armed Forces by virtue of the fact that the marriage occurred after he had retired from Her Majesty's Armed Forces, provided that that marriage was before his 65th birthday and had lasted for at least three years.'."

The new clauses were eloquently proposed by Mrs. Ewing, and the Minister replying, the right hon. Member for Richmond, Yorks, said:

"New clause 11 seeks to make an exception for one group of public service pensioners—the widows of ex-service personnel—by backdating an improvement to the armed forces pension scheme that was made in 1973."—[*Official Report*, 4 July 1995; Vol. 263, c. 248-49, 258.]

The provision of pensions for the widows of those who married after the husband had left the scheme was one of a number of major improvements to public service pension schemes made in the 1970s, but each of those improvements was introduced at a fixed and current date; none would have been affordable if it had been extended retrospectively to recognise all previous service. Sir Tim Spicer, the MP for Dorset, I think it was—*[Interruption.]* Sir Jim Spicer, the MP for Dorset, West. I thank the hon. Member for West Chelmsford.

The fact that those changes were not made retrospectively in the 1970s was an important factor for the Government then, and it is an important factor for the Government now, and for all future Governments. I do not usually agree with the right hon. Member for Richmond, Yorks, but he reiterated that not only Government but others had never engaged in retrospection. He clearly explained that if new provisions were introduced with retrospection, it would make them unaffordable. Mrs. Ewing, who was obviously quite a formidable lady, was not having that and pressed the new clauses to a vote. I am not criticising the right hon. Gentleman in any way, because I know that, like me, he is a party loyalist, but he voted against the new clauses. The Ayes were 41 and the Noes were 199. The then Government realised that they could not have retrospection, and that is relevant today as well.

There is a legal principle involved in retrospection, and all these things get tested in the courts—increasingly in the European Court of Human Rights. In January 2002, the Forces Pension Society backed a challenge in the European Court by a number of retired officers on the post-retirement and one-third pension issue. Their complaint was that the 1975 AFPS calculation of their widow's pension entitlement in the event of death, which was based on the date of marriage or retirement, was arbitrary and discriminatory. The right hon. Member for Richmond, Yorks made that point in his contribution on the 1995 Act. It takes me back to the point I keep making, that wherever we put the cut-off date there will be winners and losers on either side of it.

Interestingly, the Court ruled that the challenge was inadmissible as the individuals involved were not victims and had received their entitlement as set out when they retired. It ruled that the subsequent rule change had not altered the entitlement of those who had already retired. That is an important point. People join a scheme on the terms set out at that point. I accept that many of us, particularly younger individuals, never look at their entitlements in their pension scheme until later in life, when they realise that they might make it to retirement and get the pension that they have been paying into. However, that challenge to the scheme was not allowed by the European Court of Human Rights.

The Bill encompasses civil partners. As hon. Members know, the Civil Partnership Act 2004 created a completely new legal relationship enabling two individuals of the same sex to register their relationship. The Bill suggests that civil partners, as well as widows, be included in its remit. When registering a civil partnership, same-sex couples obtain legal recognition of their relationship and acquire the same rights enjoyed by married couples. We extended those rights in the Armed Forces Act 2006, and I remember that that was bitterly opposed at the time by the hon. Member for Aldershot (Mr. Howarth), but common sense succeeded. The Civil Partnership Act came into force on 5 December 2005. Before that date, while other couples had the option of marriage, same-sex partners could not formalise their relationship.

The situation for service personnel who were still in service when the Act came into force is straightforward: the whole of their reckonable service will be counted towards the pension of their civil partner survivor. The general guidance on the Act was that the entitlement of civil partners to survivor's benefit could be limited to service between 1988 and the date of the scheme member's retirement. However, for the armed forces pension scheme it was decided that as civil partners had an entirely new status, they would be allowed to count service from October 1987. The same was agreed for widows' pensions.

Mr. Eric Joyce (Falkirk) (Lab): That improvement seems particularly important. Around the country there are not a huge number of people affected, but we come across a surprising number of cases in which people involved in same-sex relationships have left the forces, lived with their partner for 20 or 30 years afterwards and then died, and their partner has not received any benefit from their pension. I believe that the new benefit was introduced in 2003 or 2004, and it benefits all those people across the country, in some cases elderly ladies, who are not quick to raise their hands.

Mr. Jones: I am pleased that the Government have recognised and helped that group. The Conservatives opposed the 2004 Act, but I understand that the new Conservatives now support the measure, although some of the more regressive backwoodsmen possibly think it was not a good idea. However, my hon. Friend makes the good point that it extended benefits and civil rights to a group of individuals who did not receive them in the past.

The Bill means that those entering into a civil partnership would be eligible for a survivor's benefit, so those in service on 5 December 2005 would be allowed to count all their service for their civil partners' benefit. Those who left service before that date but were in service on or after 1 October 1987 would be allowed to count all service after 6 April 1978—a date on which service was counted for post-retirement spouse's pension. Again, that is in line with widows' treatment. Those who left service before 1 October 1987 would not be entitled to count their service for that purpose. When establishing eligibility for a survivor's pension, service personnel and the Veterans Agency will look for proof of registration, as they would look for a marriage certificate for a widow or widower. The Bill would extend civil partners' eligibility to receive survivor's pension far beyond the remit of the 2004 Act. The arrangements would be far more generous than those under the 1975 armed forces pension scheme.

Much as I welcome civil partnerships legislation, we cannot escape the fact that someone would have to pay for the extension of entitlement, and the burden would again fall on the defence budget. In my experience in the Ministry of Defence in the past nine months, affordability comes up time and again. The Treasury keeps a keen eye on implications for the Exchequer, not just the defence budget.

There is some concern about reservists because the Bill discriminates against them, although I am sure that that is unintentional. I know that the right hon. Member for East Hampshire would never wish to do that because he supports all our armed forces, full-time or reservists. However, clause 4, which is entitled "Interpretation", states:

> "In this Act... 'armed forces' means the naval, military or air forces of the Crown, but not the reserve forces,... 'reserve forces' has the same meaning as in the Reserve Forces Act 1996".

The Bill would, therefore, albeit unintentionally, exclude reservists. I find it particularly unfair that it excludes a group which I know that the right hon. Gentleman supports, and which makes an invaluable contribution.

Mr. Mates: I am almost sure that there were no pension provisions for reserve forces before 1973, so there cannot be any reserve forces widows who have pensions. However, I am not absolutely certain.

Mr. Jones: We will call that a score draw, but such matters could be considered in Committee, as the hon. Member for West Chelmsford suggested. The important point is that if the legislation is to make provision retrospectively, it must cover all groups, although I do not think that it was the right hon. Gentleman's intention to do that.

I have covered some of the issues relating to the retrospective nature of the Bill. The right hon. Gentleman quite rightly made the argument for the special group that he mentioned, but there are other areas of the Bill where, if we were to make a change, we would make a special group of others, as I think I have mentioned. Another group that we could argue for are those who were affected by what is called the pension trough, which relates to public service pension schemes that are final salary schemes, such as the armed forces pension scheme of 1975. That means that pension awards are made on the basis of an individual's pay rate at the time, which is again a topical issue.

There have been a number of troughs over the past 50 years, but a particular cause for concern among service pensioners in the mid-1970s, who still feel aggrieved and quite rightly make representations, was the fact that

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public sector salaries were restrained because of the then incomes policy. Several years of high inflation meant that the pensions of those retiring before wage constraints were lifted were overlooked. They are another group of people whom we might consider who feel strongly that they were disadvantaged through no fault of their own. They served their country, but they were affected by the then Government's incomes policy. The question is whether we should make a retrospective change for those individuals.

Last time I was at the Dispatch Box, I was replying to the Gurkha debate. Everyone would agree that we owe the Gurkhas a great debt of gratitude, but one of the issues raised in that debate was the retrospection of Gurkha pensions. As has been said—I know this in detail—the issue has been to the High Court on a number of occasions. The Gurkhas are a group of individuals whom the public support and for whom they have a tremendous amount of respect, but there is an issue with those individuals who served before July 1997—a date chosen because it was the date on which the Gurkhas became based in the UK, rather than in Hong Kong or other parts of south-east Asia. The pensions payable to Gurkhas post-1997 were incorporated into the armed forces schemes, with most of them in the new armed forces scheme of 2005, while the pre-1997 pensions obviously come under a different scheme. There is the question whether we should retrospectively pay any changes in the armed forces pension scheme to the pre-1997 Gurkhas, which is an issue that I have already raised, given the changes that we have made to allow more Gurkhas to come into this country, and which I think is due to return to court this year. The figure for that group alone is £1.5 billion.

Those two examples demonstrate the costs involved. They might not seem like much individually, but if we add them up, we see that they are large just for the MOD, and the implications across other Departments are also quite large. The provisions would also break the precedent relating to retrospection, which all Government have resisted doing. To do so would make most of the changes to the pensions would be unaffordable.

A further point that I would like to make relates to the plight of war widows. I pay tribute to Gill Grigg and others from the War Widows Association who have worked tremendously hard on behalf of war widows and given support not only to the older widows but to the younger ones whose husbands served in the conflicts in Afghanistan and Iraq. I always find it very humbling when I meet the widows of those who served in those conflicts. They take tremendous pride in what their husbands did, and we need to recognise that we should support them.

The right hon. Gentleman's point about the older war widows was correct. I would not want to give the impression that the pension is the only support that this country gives to them. As a Government, we can rightly be proud of the changes that we have made for pensioners, which also affect many war widows. The minimum income guarantee, for example, has raised a lot of pensioners out of poverty, and I know that the winter fuel payment, which all pensioners receive, is very welcome. We need to look at the question of widows' pensions and war pensions in the round.

The right hon. Gentleman has made some important points, but the aspects of retrospection and affordability make his proposals difficult to accept. Also, we should not raise people's hopes. I accept his point that the number of individuals involved is declining over the years, but we should not do any injustice to those who died before the changes were made. Any changes would involve an arbitrary date. I would not want this Government or any other to be prevented from introducing a change to pension entitlement by having to consider the cost of implementing the change retrospectively.

Mr. Mates: On a point of order, Mr. Deputy Speaker. As we come to the end of today's debate, may I make a serious point of order to you about the way in which we do our business in private Members' time? I do this because we now have a short window of opportunity during the interregnum between Speakers when you and all the other candidates are advocating the need to change some of the ways in which we conduct our proceedings. Today is perhaps one of the better examples of how ill we use our time in the House. This is not the whinge of a frustrated Back Bencher—I have been here too long; I know that the system is the system. We have sat here for five hours today, during which we first discussed a Bill that had universal approval across the House and which could have been dealt with perfectly well in 30 minutes or an hour. That was followed by this short Bill. It is a controversial one that the Government do not support—fair enough—but the matter could have been decided on a vote after an hour. That would have given us time to debate the Bill of my hon. Friend the Member for Vale of York (Miss McIntosh). That is how we should properly conduct private Members' business. The House has set aside time for Back Benchers to introduce legislation about matters that we think are important, yet it is frustrated not by the will of the House but by the Government saying, "We don't want this Bill to go to a vote, so we are going to talk it out." This is a system—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think I have got the drift. The right hon. Gentleman was making a point of order to begin with, but now he is moving away from it. Also, by continuing, he might deny me the opportunity to reply to him. Suggestions have been made regarding the use of Fridays, and how private Members' Bills should be dealt with. I might have been responsible for some suggestions myself, but it would be quite improper for me to elaborate on that at this stage.

Mr. Mates: Further to that point of order, Mr. Deputy Speaker. I did not want to put you in that position. I wanted to say to all of you that I hope that this matter is really going to be looked at.

Mr. Deputy Speaker: Order. I think that the right hon. Gentleman has made his point.

Mr. Jones: Speaking as an aficionado of Fridays when I was a Back Bencher, and having secured the—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 16 October.

Business without Debate

THEFT FROM SHOPS (USE OF PENALTY NOTICES FOR DISORDER) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

ORGAN DONATION (PRESUMED CONSENT) BILL

Resumption of adjourned debate on Question (13 March), That the Bill be now read a Second time.

Question put and agreed to.

Bill read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Rail Services (Access)

Motion made, and Question proposed, That this House do now adjourn.—*(Kerry McCarthy.)*

2.30 pm

Martin Linton (Battersea) (Lab): It is a great pleasure to devote this Adjournment debate to a subject close to my heart—access to the railway system, not just by disabled people, but by all who have difficulty accessing stations and train services.

It was also my great pleasure last year to open a new lift, jointly with the Minister of State, Department for Transport, my right hon. Friend the Member for Tooting (Mr. Khan), at Balham station, which is on the boundary of our two constituencies. The lift was entirely paid for by the Government's access for all scheme. We paid two visits, the first while the lift was being built and then again when it was opened. What struck me the first time as we watched the lift being built was just how many people had to struggle with the busy stairs between platforms 2 and 3: mothers with toddlers in double buggies, a skier with a broken leg hobbling up with a stick, a couple who had been out shopping and bought a chair and had to carry it up, cyclists having to take their bikes up and an elderly gentleman walking with a stick.

What struck me most the second time, when we took the scissors and snipped the tape, was just how large a section of the community among the population are able to access station platforms only once a lift has been built—most obviously, people in wheelchairs, but also those with emphysema, heart complaints or just very elderly people. There are also those for whom access may not be impossible, but it is certainly difficult, especially without assistance—the parents of young children in prams or buggies, people with heavy luggage or lots of shopping, people carrying bicycles and so forth. All those categories were, I am sure, grateful for the installation of the Balham lift.

The Government deserve enormous credit for having pushed ahead with their access for all scheme, which is providing lifts for more than 100 stations. The historic moment is coming soon when the first lifts will start to operate at Clapham Junction station, where nine lifts are being installed under that scheme. The station has been there for 146 years, but this will be the first time that many people have been able to access any of the 17 platforms in this station. I have constituents living next to the station who have to take a taxi to Victoria in order to get on a train that will stop six minutes later within a few yards of their home at Clapham Junction.

Let me start by paying tribute to Ministers who have pushed this scheme through. I know that my hon. Friend the Member for Glasgow, South (Mr. Harris) was the responsible Minister at the time we opened Balham, but there will have been other Ministers before him. I also pay tribute to the managers at Network Rail, particularly Gary Tordoff and Peter Maynard who have driven the programme forward, but many others have been carrying it through. I also want to thank all the people working for contractors at Clapham Junction, Balham and elsewhere for installing these lifts.

The Minister of State has another connection with this subject, as he was chair of the access to railways stakeholder group, to which I also hope to invite the

[Martin Linton]

Under-Secretary of State for Transport, my hon. Friend the Member for Ipswich (Chris Mole) in his new capacity. It brings together the railway industry and disability organisations to speak to MPs and Ministers about access to the railways. I had the honour of succeeding my right hon. Friend in the chair when he became a Minister. I pay tribute in particular to Roger Turner of the National Federation of Royal Mail and BT Pensioners, who started the organisation, and to Laura Blake of Connect Public Affairs, who runs the committee. I thank David Sindall of the Association of Train Operating Companies, Nicholas Russell of Guide Dogs for the Blind and others who helped me to prepare for the debate.

It was a great pleasure last year to see those lifts installed, but I want to address my remarks to the programme's future. In my mind, I divide the issue into three parts: first, access from the station to the platform, which is the bulk of what access for all is about; secondly, access from the platform to the train, which is possibly an even more difficult subject; and thirdly, what happens once a person gets on the train. There is also the need to ensure that people with disabilities have the same access to information about trains as everyone else.

Most small stations do not have the problem of access to platforms, with level access to both platforms, but Clapham Junction is the classic case: 17 platforms and no disabled access to any of them. The access for all scheme has made a huge difference there. The final target of the £370 million given to access for all is that 125 stations will be converted by 2014. The Minister may have more up-to-date figures on that.

There has been discussion about the choice of stations, which is based on the top 500 stations for footfall, but cross-checked with areas that have the most disabled people. I am glad that Clapham Junction and Balham were picked out. Many other stations in London are getting the treatment, and I encourage the Minister to stick with the idea of where most people will benefit.

Equally, London Underground is making many of its stations step-free. I think that 56 are currently step-free, and the target is 25 per cent. of stations by 2010. It is introducing tactile strips on platforms and contrasting handrails, which are valuable to some groups. It is also introducing wide-aisle ticket gates, which are important for people in wheelchairs.

There has been criticism of the time that it has taken for the access for all scheme to reach its targets. Certainly, both stations in my constituency have slipped a bit on the expected time completion, partly because they are old, Victorian stations and it is always unpredictable what will be found once lift shafts are sunk. I do not blame any particular scheme for delays, but it is clear that some people think that the project management has not been fully up to speed. At some stations—Twickenham, for example—the issue has been whether the installation of lifts is worth while in terms of the benefit that is available. Sometimes the cost of installation may be excessive.

Train operating companies are keen to take on the management and delivery of some projects, although I am certain not all of them. I am sure that the Minister will consider whether, to keep up to speed on the project, it would be useful to devolve some of the smaller schemes to train operating companies. They already have responsibility for the small schemes programme, which has benefited more than 1,000 stations so far.

Access from the platform to the train is not the subject of the access for all programme. It is a far more complicated problem and the stakeholder group has often debated it. Remarkably few stations have level access from the platform to the carriage floor. The docklands light railway stations have that, as do those of the Heathrow Express and the London underground, of course. Some suburban stations in Liverpool have it, too. Those stations have been specifically built for the trains that provide the service. It is extraordinary, however, that we still have this problem, which is a huge obstacle for many disabled people.

There are various ways in which the problem can be tackled. There is the "hump" trial, which reduces the stepping gap between the platform and the train. That has been tried at some stations, including Harrington and St. Albans Abbey. There are also ramps that can be wheeled on to the platform and winched up, so that a disabled person can board a train. Using them increases dwell times, however, which can be an issue on busy commuter lines, and it is therefore often resisted by railway operators. There are also ramps that fold down from trains. Germany and Holland have them, but they pose a risk to the people on the platform if they are not pulled up before the train departs.

The long-term solution is for as many platforms as possible to be at the same level as the carriage floor. I appreciate that achieving that is technically very difficult, partly because different lines have grown up with different traditions, and different rolling stock have different carriage-floor heights. There is also the problem of the curvature of the track. There are, however, standard acceptable widths for the gaps between the platform and the step, which is about 10 inches, and between the step and the carriage floor, which is about 11 inches, although where there is a curved platform the gap will be greater at certain points.

It will take a generation for any standard set now to become the norm, let alone universal, but I want the Department to think about whether for the future we ought at least to set the same standard height for platforms and carriage floors, so that we can work towards achieving this when new lines are built, new rolling stock is designed and new stations are extended. Most of the railways were built at a time when it was assumed that if somebody had a disability, they would be excluded from the railway system for ever; that was considered to be inevitable. Nowadays, however, we do not consider it to be inevitable. On the contrary, we consider it to be something we should fight against. Now is the time to establish these standards, therefore. They will probably have to be the same across Europe, but that should not be seen as an argument against trying.

There is a problem with the senior citizen's railcard. Its cost of £26 is a disincentive to some pensioners. However, because the conditions are exactly the same as those for concessionary bus travel, it could be given free to senior citizens. They would still pay for their tickets, but they would get the senior citizen's railcard for free, which would encourage a lot more of them to use the railways, especially those who use them only occasionally and for whom the £26 would be a fairly large expense.

There are various problems with the trains themselves, particularly for the partially sighted. There may be priority seating, but locating it can be a problem for them. Also, the aisles are often too narrow to give access for wheelchairs. It is also very important to make full use of audible, as well as visual, information systems and to use contrasting colours, because many partially sighted people can distinguish those and that is their only chance of being able to find their way around without assistance inside a train.

Possibly the most important thing for the visually impaired is having tactile edges on platforms. They have been installed as part of the access for all programme, but only on a case-by-case basis. It would be hugely expensive to install them overnight on every platform in the country, but it is important that we maintain the momentum in working towards that aim. There have been times when partially sighted people have been lost over the edge of a platform when that may have been prevented by the installation of a tactile edge.

So many rail issues affect not only disabled people, but many others. I should add a word on the ticketing systems. The following may sound like obvious points, but they are clearly important to people with visual impairment. If there is no audible facility on a touch-screen they cannot be used by visually impaired people—such screens could easily be adapted in that way. The text size is often not sufficiently large for partially sighted people to read, so the screens need to be adapted to increase the text size in places where that has not already been done.

Another problem relates to unstaffed railway stations. There is supposed to be an information line whereby people can get information about how to get on a train at an unstaffed station. I heard recently of a case where somebody phoned up and was told that there were no facilities at an unstaffed station to allow them to get on the trains, but when they travelled 22 miles by taxi to catch a train, they discovered that there were actually facilities at the station. It is one thing to provide the facilities, but it is equally important to ensure that the information is available to the people who need it—that applies in respect of all trips, not just pre-planned ones. Many people are totally dependent on getting the information quickly before they travel. The assisted travel management system certainly needs a good deal of improvement, which should include low-call and freephone telephone services specifically for disabled passengers.

Printed timetables often have small print, which cannot be read by partially sighted people, and they may not be available in large print, Braille or audio—those formats are equally important. It is also important for train staff to have disability awareness and for that to be standardised across the whole system. Often the difference between different train companies can be very confusing for people. Most importantly of all, disability training should be provided. There is no doubt that a lot of training is required in order for people to know how to handle the problems of disabled passengers, and it is very important that the person who is on duty in the station is aware of these issues.

I have probably given the Minister a shopping list that he will consider to be almost too long. When one starts to go into the details of the problems that people have in making use of the train system, one finds that the list keeps expanding. I know that he will share my vision of a railway system that is fully usable by everybody in this country, regardless of whether they have a disability. This subject requires vision, dedication and planning, and I hope to invite him to meet the stakeholder group at some point in the near future, so that we can carry on the very fruitful discussions that we have had with his predecessors in the Department for Transport on how we can make the railways accessible for all.

2.49 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I am grateful to my hon. Friend the Member for Battersea (Martin Linton) for securing this debate on this important matter and for his eloquent summary of the issues. I hope to deal with all his questions, although not necessarily in the order in which he put them to me.

The provision of an accessible public transport system in which disabled people can have the same opportunities to travel as other members of society is a key plank in our policy to improve the life chances of disabled people and to promote social inclusion. We are fully aware that, without accessible transport, disabled people are limited in their ability to access work, visit friends and family, participate in leisure activities or access health care and education facilities. As my hon. Friend acknowledges, that is why we have taken strong action to ensure that public transport services are increasingly accessible to the estimated 11 million disabled people who live in Great Britain. I believe that our record in this area speaks for itself.

We have introduced regulations, the Rail Vehicle Accessibility Regulations 1998—more commonly known as the RVAR—which ensured that all new rail vehicles introduced since 31 December 1998 had to be accessible. The RVAR considerably improve accessibility by specifying features such as larger and easier access to priority seats for disabled passengers; use of tonal contrast in liveries and finishes; a minimum number of spaces for wheelchair users; boarding devices to facilitate wheelchair access; provision of handrails and handholds; and provision of audible and visual passenger information.

Almost 5,000 accessible rail vehicles are already in service and all rail vehicles must be accessible by no later than 1 January 2020. That end date dovetails with similar provisions in place for buses and coaches, ensuring an accessible transport chain and giving disabled people certainty that they will be able to access all public transport vehicles in future.

We are currently consulting on further improvements to the RVAR to reflect the progress made and lessons learned during the last decade. These include amendments to the technical accessibility standards they contain, the mandatory application of accessibility requirements to refurbishment projects within the scope of works, and measures for strengthening the enforcement regime. They will also for the first time bring other, previously unregulated, rail vehicles into scope, such as the people mover at Gatwick airport.

Our ultimate aim in revising the regulations is to ensure that the RVAR continue to meet the legitimate aspirations of disabled people for the next decade. We want the new provisions to be in place as soon as possible and, preferably, by the end of this year. We

[Chris Mole]

should also remember that, although they may not have been built to modern accessibility standards, many thousands of older rail vehicles have already been made more accessible through refurbishment. That includes fleets of older trains built in the 1980s that serve my hon. Friend's constituency and have recently been refurbished with passenger information systems, wheelchair spaces, priority seats and colour contrast.

Our leadership in the area of rail vehicle accessibility has now been recognised at European level. When considering the development of new technical accessibility standards for trains, the European Commission based those largely on the RVAR. That is a clear demonstration of how far ahead of mainland Europe we are in that respect. The new pan-European standards were introduced last year and will represent a step change—pun not intended—in accessibility for disabled travellers on the continent. Those standards are more inclusive than in the past, in that they make provision for older people, pregnant women and people with small children, in addition to people with disabilities. We welcome that expansion of provision.

We also recognised that services provided on rail, and other public transport vehicles were not covered by part III of the Disability Discrimination Act 1995. Those provisions place obligations on service providers to ensure that their services are not "impossible or unreasonably difficult"" for disabled people to access. The exclusion of transport services meant that a disabled person could have lawfully been refused access to a public transport vehicle which was otherwise accessible to them solely because they were disabled. That was completely unacceptable so we took action to close that loophole in the Disability Discrimination Act 2005. Part III was then applied to transport services from December 2006. That has also given disabled people the power to challenge transport providers to improve the accessibility of all aspects of their services.

We must do more. We recognise that progress in improving the accessibility of rail vehicles must be accompanied by improvements to the accessibility of stations and stops. Accessible stations make a huge difference to people's journey experience, not only for people with reduced mobility, but for those carrying heavy luggage or pushing unwieldy pushchairs, and we remain committed to making further improvements.

In March 2006, we published our railways for all strategy, which set out what the rail industry as a whole is doing to improve access to rail services, particularly for people with disabilities. I am pleased to report that the access for all programme described in the strategy is rolling out across the network, with accessible routes already installed at 25 stations and a further 11 in progress. By the end of the current financial year, we expect a total of 40 stations to have been completed.

My hon. Friend asked whether we were disappointed with the progress that has been made. We would like to have seen a few more stations delivered by this stage, but earlier this year Network Rail carried out a full review of the programme, and the programme delivery is now gaining momentum. Additionally, I would like him to recognise that the option selection and design element of the programme was front-loaded and has now been completed for the majority of stations. I hope that things will progress more quickly from here on in.

In addition, the small schemes programme is now providing almost £25 million of match funding towards investment of almost £100 million in total, supporting improvements that meet local needs at over 1,000 stations by spring 2010. Bids for further works to be completed in 2010-11 have also just been invited.

The access for all programme exists in addition to commitments made in franchises and other programmed major station improvements. It also builds on the raising of standards over recent years including the requirement on train operating companies to take account of accessibility standards in the code of practice on train and station standards for disabled people. The accessibility of booking facilities, for example, and the provision of access for disabled passengers has also significantly improved.

My hon. Friend asked about accessibility in London. He will recognise that much of the underground system is difficult for disabled people to access because of the era in which it was constructed. The constraints caused by the original design of stations can make the installation of facilities such as lifts very difficult. London Underground is committed to a core network of step-free stations and although there are currently some 43 step-free stations, with plans for 25 per cent. of the network to be step-free by 2010, I am sure that he will be pleased to hear that further provision is expected with the introduction of new facilities to support the Olympic and Paralympic games in 2012. New lines, such as the Jubilee line extension, are fully accessible, of course.

There is still much to do, however, and I do not think that anybody would underestimate the scale of the challenge or believe that the railways for all strategy represents the end of our task. Together, these provisions will deliver consistent access standards for vehicles and stations across the whole rail network for the first time. Having made so much progress in improving train and station accessibility, we also recognise that other areas of the end-to-end journey require improvement. For example, we acknowledge that the gap between the platform and the train can represent a significant barrier to many disabled people. I am aware of the particular problems in that respect at Clapham Junction station in my hon. Friend's constituency, where our Victorian forefathers have bequeathed us sharply curved platforms and the resultant large gaps.

Unfortunately, because of the need to provide clearance for fast through trains and freight, boarding ramps will remain necessary at most stations. However, where possible, new routes with new, dedicated trains will be built to provide level access. Such access is already in place in the modern tram systems and in many light rail systems, such as the docklands light railway and the London underground Jubilee line extension. The central London core of Crossrail will also have level access.

Elsewhere, as my hon. Friend noted, we are supporting novel solutions to the problem of the gap between the train and the platform. A recent development is the possibility of retrofitting "humps" at stations with traditionally very low platforms where usage means that rectification work might not be a priority. My hon. Friend is clearly aware of the successful trial in Harrington in Cumbria. Similar platform humps are planned for the central London section of Thameslink, and have already been provided on some London underground Victoria line stations in preparation for the new trains

that will be introduced there later this year. Where physically possible, those humps will provide level access at least to the doors that wheelchair users use.

The need to improve access to the railway network does not stop with physical accessibility to stations and vehicles. Barriers such as lack of confidence, poor travel information and the attitudes of staff all affect disabled people's ability to use public transport. I should just mention the staff disability awareness training DVD, which was funded through the access for all small schemes fund. I hope that that will address some of the concerns that my hon. Friend raised.

As my hon. Friend noted, as trains and stations are made accessible for disabled people, the facilities that they offer greatly benefit other passengers. We have already achieved a great deal in that area, but we are far from complacent, and will continue to work with the industry, organisations—

3.1 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 22 June 2009

The House met at half-past Two o'clock

Election of Speaker

The right hon. Alan Williams, the Member for Swansea, West, took the Chair (Standing Order No. 1(1)).

The Prime Minister (Mr. Gordon Brown): I have to acquaint the House that Her Majesty, having been informed of the resignation of the right hon. Michael Martin, lately Speaker of this House, gives leave to the House to proceed forthwith to the election of a new Speaker.

Mr. Alan Williams (in the Chair): The House will now proceed to the election of a new Speaker in accordance with the provisions of Standing Order No. 1B. A note for Members explaining the proceedings was published four weeks ago. In a moment, I will call the candidates to address the House in the order in which I drew their names by lot earlier this morning. The order of speaking was published earlier today. When all candidates have addressed the House, we will proceed to the first ballot.

2.31 pm

Margaret Beckett (Derby, South) (Lab): Mr. Williams, when the House was first broadcast, Mike Yarwood, the political impersonator, when asked for his reaction, said, "I hope I never have to face an audience like that."

I am very conscious today of facing an electorate who know our strengths as well as we do and our weaknesses rather better. One of mine is a deep reluctance to answer only yes or no to a question that I think calls for a more thoughtful response. So as I have made clear, I do not have any problem with electing those who chair Select Committees, but I would like us to give thought to whether and how we could take account of opinion among Select Committee members themselves.

I have no objection, in fact, to any of the ideas for change and reform which are being floated, but I have had experience of making reforms in this House—setting up Westminster Hall and allowing for a TV point in Central Lobby or for tape recorders in the Press Gallery. All were controversial in their day. There is rarely only one view; in fact, you are lucky if there are not 600. It is the House that must decide, and a way must be found to take the House with you. The Speaker cannot—and should not—attempt to drive the House, but nor should he or she be an obstacle. I pledge myself, if elected, to facilitate desired change.

Today we face unprecedented and uniquely difficult circumstances—a two-way crisis of confidence. The public have lost confidence in us and the confidence of many Members has been shaken or even lost. No one person can resolve these problems. The challenge is one that the House as a whole must address. But it is just the start for the next Speaker.

Independent financial regulation would be opposed, I think, by few—but the devil will be in the detail. There is good reason why our forebears fought for and guarded the freedoms of this House. A different relationship with the upper House, should that be agreed, would certainly require delicate and careful handling from the Speaker. And while I have never predicted the outcome of a general election, and do not intend to start now, many political commentators predict a hung Parliament or something close to it. New, smaller parties may be elected—or even others without party to sit alongside the hon. Member for Wyre Forest (Dr. Taylor).

Having watched admiringly Speaker Selwyn Lloyd handle just such a House, I recognise how delicate and how potentially controversial the Speaker's role becomes. The Speaker must be seen to be fair-minded, even-handed and able to command a degree of consent and confidence across the House.

I have been asked particularly to address three issues about my own candidacy: my attitude to reform, with which I have already dealt, whether it is the Opposition's turn, and my own background and experience. Last time, I myself advocated the notion that it was the Opposition's turn for the Chair and was corrected by political historians, who pointed out that the speakership had in fact always gone with the majority party of the day, except once. Speaker Boothroyd was that one exception. I could not help noticing that on that occasion, as so often, the hon. Member for Aldridge-Brownhills (Mr. Shepherd) demonstrated his independence and voted for, rather than against, her.

That brings me to my own record. I have extensive experience chairing committees and conferences, including Committees in this House. I have had to try to communicate obscure and complex issues in a way that illuminates them for the lay person, and I have experience of driving through needed change. I have never been afraid to speak truth to power, wherever power may be found, and as those who know me well testify, I have always been my own woman, and a House of Commons woman at that.

So let me assure you, with all the force at my command, that such skills as I have acquired in my years in this House would, if elected, be at the service of this House and all its Members, and that I am particularly conscious of the Speaker's responsibility to Back Benchers. But the greatest task that faces us all is to convey afresh to the people of our country that we come here, as we all do, to serve their interests rather than our own. I shall work to help achieve that, whatever judgment the House makes today.

2.37 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the right hon. Member for Derby, South (Margaret Beckett).

Mr. Williams, it is good to see you presiding over this new procedure for electing a Speaker—a procedure introduced because the last one took too long. *[Laughter.]*

Being Chairman of the Standards and Privileges Committee for eight years, a job that Robin Cook asked me to do, may not be the platform of choice from which to launch a bid for the support of one's colleagues, but perhaps more than almost any other job in the House, it calls for total impartiality and an imperative to be fair.

[Sir George Young]

On impartiality, I have always been in the Conservative party, not run by the Conservative party. *[Laughter.]* On fairness, one of my concerns about recent events, with the anger about a failed expenses system exposed by the media, has been the emergence of a bidding war to be tough that risks losing sight of the basic principles of justice that this House has always defended. I want to see a House of Commons that regains its self-confidence. I want a more independent House of Commons, a more effective House of Commons, a more relevant House of Commons and a more accessible House of Commons. I want to see the terms of trade tilted away from the Executive and back to Parliament. Government have nothing to fear from that at all. If we raise our game, they will have to raise theirs, and the country will benefit.

So what might be different? I hope our proceedings might be brisker—shorter questions, shorter answers, shorter speeches. The heart of the Chamber might beat a little faster. I believe that we can use the time of the Chamber, and our own time, more effectively. We could trade those thinly attended Opposition day debates, when the Whips come into the Tea Room and tell us about speaking opportunities, for more topical statements, enabling us better to hold the Government to account and reconnect with the public.

We could build time in the Chamber around time in Select Committees, instead of the other way around. The time of colleagues is precious. I would pilot indicative speaking lists, where relevance would have the same importance as seniority. I would like to see some Select Committee Chairmen present their reports here in the Chamber of the House of Commons, and so challenge the Government monopoly on statements. That would be hugely symbolic of a Chamber in which we should be joint landlords with the Government and not tenants.

To some of those ideas terms and conditions apply. The Speaker is more referee than player. The House must decide whether it wants to shift the balance of power. I believe that there is a window of opportunity in the remaining months of this Parliament, and in that debate the Speaker can act as a catalyst. The Speaker should be neutral when neutrality is required; he should exercise influence when influence is required; and he should show leadership when leadership is required. The Speaker should look outwards as well as inwards. He should speak about the House of Commons, rather than for the House of Commons, and be much less detached than tradition has required. After listening to the tributes to Michael Martin on Wednesday, I would add another quality: at times, the Speaker should be a friend.

Last year, there was a run on the banks, which lie at the heart of our prosperity. This year, there has been a run on the Commons, which lies at the heart of our democracy. In both cases, imprudent behaviour by a few, loose regulation and inadequate supervision led to a loss of public confidence and an anger at those in charge. There was systemic failure, and those who did no wrong were caught in the backlash of a loss of institutional reputation. In both cases, we need to address that anger and restore that confidence by changes at the top, better regulation, transparency and a change of culture. We have recapitalised the banks; we now need to recapitalise the House of Commons. We have left behind the age of deference; we need to arrive at the age of earned respect.

None of us can do what is needed on our own. In his resignation speech, Michael Martin said that we are at our best when we are united. I hope that I could achieve that unity, build on the resilience of the House and help win back the confidence and trust of those we represent.

2.42 pm

Miss Ann Widdecombe (Maidstone and The Weald) (Con): Mr. Williams, I think I am unique in this contest. [Hon. Members: "Hear, hear!"] What is unique is that I propose myself as an interim Speaker, rather than as a permanent or long-term appointee. The reason I do that is that I have become convinced that what we need, between now and the next election—after the next election will be too late—is the restoration of the reputation of this House with the public. If we go into the election without that achieved, the consequences for our democracy could be considerable. Therefore, we have to ask ourselves what sort of Speaker could achieve that in the time available.

In these extraordinary circumstances—I would not have put myself forward in any other circumstances, given that I am definitely retiring at the next election—we need somebody who is provenly capable of connecting with the general public, whom the public know, whom the public by and large trust, and whom the public recognise and are willing to listen to. I believe that, perhaps by rather vulgar means, I have come to fit that bill. That is why, among these very trusty old serving senators this afternoon, I put myself before you as the rather vulgar tribune—I have been longing to say that to those on the Benches opposite for a long time. *[Laughter.]*

In addition to restoring Parliament's reputation with the public—let me say that I do not believe that that means that the Speaker has to be appearing in television studios up and down the land—the Speaker needs to be more visible outside the House over the next few months than has hitherto been normally associated with the role. But in addition to that function, it is crucial that the new Speaker does what he or she can—it will be limited by the will of the House, and having seen some of the manifestos that have been put forth, I rather think that we are trying to elect a supreme dictator this afternoon, which is rather unlikely—to rebalance power from the Executive to Back Benchers. Whenever there is a speakership election, all the candidates put forward that notion. Not always is there a successful implementation. But I have not come late to that view; I have stood by it throughout my 22 years in this House.

Under the Conservative Administration, I actually teamed up with the hon. Member for Bolsover (Mr. Skinner)—*[Laughter.]*—when we opposed, albeit unsuccessfully, a raft of measures that reduced Back-Bench rights, including the removal of our right—which I had exercised on one previous occasion—to put down business motions before the House. That was just the first of a long series of measures that have taken away power from Back Benchers and concentrated it very heavily on the Executive, of whatever party.

Under this Administration, I led a sit-in. The right hon. Member for Blackburn (Mr. Straw) took part in sit-ins in his youth; I came to them in middle age. I was

moved so to do because the Government were bringing a Bill out of Committee, half of which had not even been examined. I believe that one of the consequences of the concentration of power on the Front Bench is that, out there and in here, we are being governed by increasing tranches of legislation that have never been examined, let alone voted on, by Parliament. That has to be wrong, and it is an urgent task for the Speaker to try to persuade people outside that we are not irrelevant and that we have a real function to perform.

I believe that it is important that whoever is Speaker will not only help to clean up the mess and be seen to do so, but that they will, in doing so, bear one thing in mind: no matter how much we may tighten the system and come down on those who have erred, we should always have it as a core principle that people of modest means should not be deterred from entering this House. If we fail in that, I do not think it grandiose to say that we will have failed democracy. I have been up and down the broadcast media over the past few weeks—before I even thought of putting in a bid for this post—defending the principle that we must have adequate remuneration and assistance if people of all means and very few means are to be able to enter this place.

I am very honoured indeed that enough people have asked me and indicated their support for me for me to feel able to stand here and say what I have said this afternoon. Whoever is the Speaker must have broad support on both sides of the House, and in all parties, or they will not be a Speaker who starts with the good will of the House of Commons. I believe that I have broad-based support; how much has yet to be seen.

2.49 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): It is good to have you in the Chair, Mr. Williams, not just because of your awesome seniority, which makes even me feel like a bit of a newcomer, but because of what you do to promote the work and independence of Select Committees. You developed the questioning of the Prime Minister in the Liaison Committee, which is an effective investigative process rather than the shouting match we so often get at Prime Minister's questions. You will recall, as the right hon. Member for North-West Hampshire (Sir George Young) pointed out, that the last time we elected a Speaker—several of us were candidates then, too—it took an awful long time: so long that the right hon. Member for Derby, South (Margaret Beckett) rose from the Government Front Bench to move the Adjournment of the House at 25 minutes to midnight.

However long it takes us today—I hope it will not be that long—our decision is unusually important. Are we going to respond to public anger and dissatisfaction by setting out a process for making Parliament more effective, or are we going to announce tonight that it is business as usual? We will make a big mistake if that is all that we say.

Clearly, the new Speaker must help to make certain that there can be no repeat of the expenses disaster, because pay and expenses will be determined by an independent outside body. I believe that there is now general agreement on that. We need a system that is not wide open to abuse and that recognises that the public want us to be more economical in what we do. At the other extreme, I do not really want to spend any more Saturday mornings explaining to a national newspaper why the constituency office toilet had to be repaired before a member of my staff felt obliged to explain in more detail why this was necessary.

We cannot stop with expenses. The next source of public anger could be the disastrous impact of clauses in legislation that, because of rigid timetabling, the House has not properly examined. The House needs to take control of how it uses its time; the Government are entitled to bring forward a programme and to carry through the commitments on which they were elected, but it is not the Government's job to dictate how scrutiny of that programme is carried out. A business Committee that does not have a Government majority is, I think, the increasingly accepted means of achieving that, and I would seek to argue for it.

We need to build on the strengths of the House, so the Select Committee system should be strengthened and made more independent. Back-Bench Members and minorities need rights to bring important issues to votes and to inquiries. The authority of the new Speaker should be used to rebalance Prime Minister's questions in favour of Back Benchers and to help move the House towards a more constructive and less aggressive style. That aggressive style puts off many women, quite a lot of men and a lot of the public, and it is not what happens a great deal of the time in the House of Commons—but that is the part that the public mainly see.

The administrative structure over which the Speaker presides—much of the job is below the waterline—needs to open up the Commons more to the public and to make it a more family-friendly and diversity-welcoming place. I would like to see more younger and newer Members involved in bodies such as the House of Commons Commission.

The Speaker's authority must be used to assert the independence of the House from the Executive and to protect the public. I took a privileges case against a previous Lord Chancellor over the dismissal of an agency board member who had given evidence to a Select Committee against the wishes of the board, which had been given as grounds for dismissal.

I also think it important that the Speaker has a real care and concern for Members, their staff and the staff of the House, as Speaker Martin clearly did. I would like to go further in reducing the isolation of the Speaker both inside and outside this House. There is a role for the Speaker, within limits, in speaking for the House and on its behalf to the public. The Speaker also needs to be someone who maintains the momentum for reform and does not act as a barrier to it.

That is the kind of job I want to do. It needs to be done by someone who is firm, fair and generally accepted. It is not enough to win the vote—the Speaker needs to be someone who is also accepted by those whose preferred candidate is not elected. The new Speaker and the House need a consensus decision rather than a mere majority. I would like to think that I can fulfil that requirement, and my commitment to making the House effective has run right through my political life, but the decision is in the hands of right hon. and hon. Members.

2.54 pm

John Bercow (Buckingham) (Con): Thank you, Mr. Williams.

All hon. Members are, by definition, experienced campaigners. Some campaigns get off to a good start; others suffer setbacks. One of my first approaches was to a particularly distinguished colleague whom I would not dream of identifying. I asked if he would back me today. "Certainly not, Bercow. You are not just too young; you are far too young—given that, in my judgment, the Speaker ought to be virtually senile. If you were elected, it would be disastrous for you, disastrous for the House, and disastrous for the country," and with that he slammed down the phone.

Just in case that is a widely held view, I shall merely observe, Mr. Williams, that Speakers elected younger than me at 46 were actually quite common in times gone by. In the 18th century, Speaker Grenville was elected at 29 and Speaker Addington at 32. Indeed, both went on to become Prime Minister—not a likely career move in my case. By contrast, Speaker Onslow was elected at 36 in 1728 and he stayed in situ for more than 30 years—not a danger in my case, given my commitment to serving no longer than nine years in total. Even further back, Sir Thomas More was virtually my age when he became Speaker, though frankly his rather sticky end does not fill me with encouragement. But then again he is the only Member of this House ever to have been canonised. My own preference is, however, for success in this world rather than in the next.

I do not want to be someone; I want to do something. Working with colleagues, I want to implement an agenda for reform, for renewal, for revitalisation, and for the reassertion of the core values of this great institution in the context of the 21st century. That this election is being held at this moment testifies to the turmoil that is engulfing this place and to the crisis of confidence in parliamentarians themselves. Unless and until we can move the debate on from sleaze and second homes to the future of this House, we shall remain in deep trouble. A legislature cannot be effective while suffering from public scorn. A strong command of "Erskine May" is far from adequate for the tasks, although I am confident that four years' service on the Speaker's Panel of Chairmen has equipped me to cope with our over-mysterious procedures.

There are three core reasons for offering myself today as Speaker, and I am pleased to be supported in this by parliamentary colleagues from no fewer than six political parties—Conservatives, Labour, Liberal Democrats, Scottish nationalists, Welsh nationalists and the Social Democratic and Labour party, as well as enjoying support from independents of both right and left.

First, I would implement radical reforms to the system of allowances, but I would do so with respect and reverence for Parliament itself. This House is neither corrupt nor crooked, but what was meant to be a straightforward system of compensation for Members has become immensely complicated, mired in secrecy and short on accountability. Clearly, Sir Christopher Kelly's recommendations must be accepted unless they are manifestly inappropriate, which frankly I do not expect to be the case. The next Speaker must ensure that hon. Members and taxpayers alike are not treated unfairly. This is a difficult balance to strike, but it is one that I can both accomplish and communicate.

Secondly, the case for strengthening Back Benchers, to revive Parliament as a whole, is incontrovertible. The true story of the past 30 to 50 years is not one, frankly, of petty claims on the one hand and extravagant claims on the other, but rather of the relentless erosion of this Chamber's former strength. The Prime Minister recently asserted his desire to restore authority to Parliament, and, if elected, I would seek to hold him and any successor to that pledge. This House must seize back control of its own core functions by making a number of changes. For instance, there must be a business committee which it really runs; urgent questions must be more readily granted; scrutiny of budgets and legislation, both domestic and European, must be enhanced; and, once and for all, Ministers must be obliged to make key policy statements here. The Speaker should always be neutral within this Chamber, but he or she should not be neutral about this Chamber. If elected, I would be a tireless advocate for our political relevance.

Finally, I turn to the world beyond Westminster. A reforming Speaker needs to become both an advocate and an ambassador for Parliament. He must reconnect it with the society that it seeks to represent. I would be comfortable to be both a Speaker and a listener. I make no apology for the views that I have expressed, the causes that I have championed, and the votes that I have cast over the years. Some may have been incompatible with others—over a period—as many colleagues have been quick to point out, but even youngish men can acquire wisdom as time goes by. In any case, that is all irrelevant to the role of the Speaker, whose own political preferences must be permanently cast aside.

Throughout my 12 years in the House, I have always been passionate about Parliament. I believe that we can rebuild trust and restore our reputation, but only if we make a clean break with the past, and demonstrate once again that it is an honour without equal to sit in this House. I am that "clean break" candidate. I can help this House to meet the challenges ahead—to meet the challenge of change. We need change, we need change permanently and we need change now, but I can help to deliver it with you only if you give me the opportunity. I know that that it is a tall order and I am only a little chap, but I believe that I can rise to the occasion.

3.3 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): All my parliamentary career has been directed towards the ambitions that we all shared when we came into this Chamber. I refer to a profound belief in our central democratic institution. We see now it at a nadir. We see that we are under pressure, and the reasons are evident to everyone out there. The secrecy in which many parts of our national life operated has been rolled back just a little, revealing that which has disconnected us from those who sent us here in the first place.

I have always believed in opening things up. I stood up for reform of section 2 of the old Official Secrets Act. I stood up for the whistleblowers Bill, originally introduced by the hon. Member for Cannock Chase (Dr. Wright). I have wanted this House to represent the very best of our nation. But what I have found, and what I think we have all found, is that we are so disconnected from the public that on the first great issue of trust—public finance, public money and knowledge of it—we failed. That means that, collectively, we are held in disregard.

I believe in freedom of information. There is no way of shrugging that off. I believe that it was a great, great statute that the Labour Government introduced. I believe that although it seems our nemesis at the moment, it is in fact the path to redemption. A public out there expect openness, and where public money is used, whether in local authorities or by this institution, they have a right to know. That I profoundly believe.

There are many things I could say, but—if I may quote the former Prime Minister—this is not a moment for rhetoric; rather, this is a moment for action. There is no hand of history on our shoulder; instead, there is a remembrance of what this House can be, rather than what it has become. It has become something that is less than the people we represent. We have forgotten that we are not the Government; we are those sent by our constituents to hold in check those who govern us. It is often a difficult balance, because we are party people by our origins, but we should never forget that the Government are the Government, and the Executive rule by royal prerogative and the creation of another apparatus. We, however, come here with the simple mandate that we will question, examine and argue with the Government.

We have lost our Standing Orders. We used to control them. As recently as when I first came into the House, they were in the hands of the Procedure Committee and they were brought by the Leader of the House to the Floor of the House. We no longer have any rights as private Members to initiate anything in this House, except for private Member's Bills and the 18 Opposition days. We used to have the power of initiation whereby by ballot we could raise germane and proper questions for consideration by this nation, but that has gone. That is what we have given away, and, in a sense, that is what we must reclaim.

So I say that this is the time for this to be a House for business. The re-evaluation of the Standing Orders is absolutely key for the re-ignition of the central purpose of this House. Of course I believe in the election of Chairmen of Committees. There are many other things we can do, too. The hon. Member for Stoke-on-Trent, Central (Mark Fisher) got together a grant from the Joseph Rowntree Foundation and the product was Parliament First, with its purpose to save Parliament. All the ideas that are laid out there are the same ones that we hear repeated across the Floors of these Houses.

I believe that parties from other parts of this Union should be able to speak with greater equality than they have now, and I also believe that they should be called and recognised as such, because this country stands as a central gift and its Parliament used to be an inspiration of what a Parliament should be, but we let that go. For the future, we must repair that, and our success has to be achieved in the coming short period of time, in which we can give a legacy to those who follow.

Finally, I made it clear in my letter to every Member of this House that, should I be honoured by this House to be the Speaker, I would stand down at the next election and fight and contest an ordinary election, so that at least I could then stand here in the knowledge that I had the confidence of the people of Aldridge-Brownhills, as well as of this House.

3.8 pm

Sir Michael Lord (Central Suffolk and North Ipswich) (Ind): This is, without doubt, the most important Speakership election in modern times, and this is certainly the most important speech I shall ever make in my entire life. This election is not only important to us in this Chamber; it is also important to those people outside the House of Commons who, because of recent events, are watching us much more closely than ever before to see what kind of Speaker we elect, and what that Speaker is going to do to restore the badly damaged trust in our House and this Chamber, which belongs not to us, but to our constituents and all the people we came here to serve. It is therefore essential that the next Speaker is someone who understands the frustrations and increasing disillusionment of Back Benchers, who are trying to do the best for their constituents. There is a huge amount of experience and talent on our Back Benches, which I see every time I am in the Chair. We must find ways of harnessing that talent.

The most important qualities in the next Speaker will be strength, experience and the enthusiasm to embrace the changes that are so badly needed. Strength will be vital to stand up to the Government when they seek to bypass the House of Commons or simply use it for their own purposes. Strength will be needed, too, to protect the interests of Back Benchers, whose contributions are at the moment so badly neglected.

As someone who in his younger days—much younger days—played rugby against the South African Springboks, I am used to coping with the roughest of confrontations and able to insist on fairness being done in the toughest of circumstances.

Experience, too, will be so important—to understand how the House works now and to appreciate all that is good about it in so many ways, while at the same time having seen its growing faults over the years and being able to recognise the need for urgent changes.

I would describe myself as a reluctant politician, but an enthusiastic parliamentarian. I have never enjoyed being called a politician, but I have always been immensely proud to be a Member of Parliament. Ours is a simple Chamber, where elected men and women assemble to talk about the problems and needs of their constituents and the country. If there are problems at the moment with the way we use it, that is our fault—all of us—and we must correct it.

Before entering Parliament, I was an arboriculturist. I know the value of tending and nurturing irreplaceable plants. But there is huge merit, when the time is right, not to uproot, but to prune, perhaps severely, to ensure the survival and regeneration of that which is so precious. What is precious to us all, and in grave danger now, is the reputation of our House of Commons and with it our ability truly to represent our constituents in the way we were elected to do.

The Speaker is a servant of this House, and it is not for would-be Speakers to prescribe in detail the changes that are now so clearly needed, but some things are now obvious and must be tackled with the greatest urgency. The vexed question of our allowances must be dealt with as speedily as possible, but we must also get it right. No one believes, not even the press, that Members of Parliament came to this House to make money out of their pay and allowances, but the events of recent

[Sir Michael Lord]

weeks have not only made this House a sad, introspective place, but—more importantly—they have robbed us of the vigour and vitality to do our jobs as we all know they should be done.

The boil has been lanced: the old system has gone, never to return. Clearly, steps will be taken to deal with all the issues arising from the past. However, it should not be difficult to put in place a new system, completely out of our hands, which not only gives complete transparency to our affairs and not only reassures our constituents and the press, who keep a careful watch on these things, but allows us to fight our way out of this slough of despond and stand up once again for ourselves, for our House of Commons and for our ability to do the job we came here to do.

There are some things that the Speaker can do even under the existing rules. Governments of whatever party ought no longer to be allowed to make major statements in schools, hospitals or television studios before coming to this House. There is nothing in the world more irritating than to wake up in the morning and hear on the radio or see on the television important announcements being made and discussed—and often minds being made up and positions being adopted—before this Chamber has had the opportunity to hear the actual statement from the Minister concerned and to question him or her about it. There are ways open to the Speaker under existing rules that would enable him or her to make that practice much, much more difficult.

Everyone is now agreed that the scales in which are weighed the power of the Executive and the power of this House have tipped too far towards the Executive. A Committee should be established as soon as possible to look at how, without in any way hindering Government business, the House can again take charge of those matters that rightly belong to it and that could completely revitalise its workings. The kind of things that I would envisage being on the agenda would be the day-to-day management of the business of the House, to allow much greater input from Back Benchers; freedom for Select Committees to elect their Chairmen, and perhaps to summon witnesses to give evidence on oath; and the need for pre-legislative scrutiny of all Bills—now very obvious.

It is an old saying, but a true one nonetheless, that out of grave difficulties can sometimes come rare opportunities. We must now leave the vexed question of our allowances and salaries in the hands of others, put the difficulties behind us and get on with serving our constituents as they expect and we long to do.

This is a golden opportunity. The House of Commons will never be the same again. The lid has been taken off and I, for one, am only too happy to let the fresh air in, to embrace change and to look at everything we do in this House.

Like others, I agree that the new Speaker must be prepared to speak publicly on behalf of the House when appropriate in an authoritative and non-political way. I do not believe that he or she should have a constant presence in the media, but the House's position and how we work must always be carefully and clearly explained and only the Speaker is in a position to do that.

Were I to be elected, I would serve the remainder of this Parliament and, if re-elected, most of the next, before resigning to allow the election of a successor who by that time would be known to all the Members of the new Parliament. I have not sought to canvass colleagues during this election, nor have I had anyone working on my behalf. The reason for that, quite simply, is that I feel that for this election, of all elections, it is inappropriate, as history shows. It could possibly jeopardise the new Speaker's independence and, in my case, colleagues have been able to see me perform as Deputy Speaker for many years. If it proves to be a handicap in the selection, so be it. I can only do things in the way I believe to be right.

Finally, may I say to the House that this is no time to vote along party lines. It is no time to vote to stop him or her. It is no time to vote because you told someone days, weeks or months ago that you would support them when the time came. This is the time—the desperately serious time—when we must all vote for the person we genuinely believe to be the best person to be the next Speaker of this House of Commons.

The task is huge and the dema[illegible]l be great. If I were to be given the honour of becoming Speaker, I promise this House of Commons that I will dedicate the coming years of my life to making our House of Commons, once again, the respected and vital centre of our national life that we all so want it to be.

3.17 pm

Sir Patrick Cormack (South Staffordshire) (Con): Like my hon. Friend the Member for Central Suffolk and North Ipswich (Sir Michael Lord), I have not conducted a great campaign. However, I am very privileged to be able to stand before my colleagues and to offer my services based on 39 years this very week in this House of Commons—an institution that I deeply and passionately love and which, for the remaining few years of my parliamentary life, as I too would wish to retire at a similar time to my hon. Friend, I wish to serve.

My hon. Friend the Member for Buckingham (John Bercow) has talked of Thomas More, the only Member of Parliament ever to be canonised. It is in fact his feast day today, and perhaps it is therefore an appropriate time for us to think about how we can reclaim that confidence and trust that the nation ought to repose in this, its House of Commons. Before I get too pious, let me also remind the House that it was on this day that Machiavelli died and that, in case I am accused of being Anglocentric, it is of course the eve of Bannockburn.

When I first came into this House, provoked by a love of parliamentary democracy, one of the first things that I did was, at the behest of my new Labour friend Greville Janner, now Lord Janner, to become the first chairman of the campaign for the release of Soviet Jewry. My activities in that regard, and subsequently during the period of perestroika, when I picked my way through the sandbags outside the Parliament building in Vilnius and when I conducted a seminar in democracy in Bucharest, showed me two things: first of all, how right Churchill was to say that our system, for all its deficiencies, is the only true system; and, secondly, how people looked up to this British House of Commons.

I want to feel that we can again become a beacon for those who are hungry for democracy. Yes, the iron curtain may have come down and, yes, many of the people for whom one worked in those days may now enjoy a degree of parliamentary democracy, but there is still a hunger out there. One has only to think of Zimbabwe or Iran to have that point underlined.

There is obviously a limitation to what any Speaker can do. I never forget the most immortal words that ever issued from the Chamber of the House of Commons, by Mr. Speaker Lenthall on that January day in 1642—

Mr. Paul Keetch (Hereford) (LD): You were there.

Sir Patrick Cormack: Yes, I was there.

Speaker Lenthall said, "I have neither eyes to see, nor mouth to speak but as this House shall direct me, whose servant I am." An inconspicuous man, a man who rose to the occasion and who underlines in those famous words both the duty and the limitations of the Speaker, because so many things can only be done as this House directs.

I would very much like to see the business of this House in the hands of a business Committee, with a majority from the Opposition Benches and with the Speaker presiding; but that can only happen if this House directs. I would like to see Select Committee Chairmen elected by the same system that we shall use later this afternoon; but that can only happen if this House directs.

There are certain things that a new Speaker can, and in my view should, do. First, I would like to take a tighter grip of parliamentary questions, particularly—if I may say so in the presence of the Prime Minister and my right hon. Friend the Leader of the Opposition—Prime Minister's questions. Too much of Prime Minister's questions is taken up by the gladiatorial battle across the Dispatch Box. I would cut that down at a stroke.

I would like to feel that Members of Parliament had more opportunity to call the Government to account by giving them more opportunity for urgent questions and emergency debates. In that regard, I agree very much with many of the things said by my right hon. Friend the Member for North-West Hampshire (Sir George Young).

I would like to be very tough with Ministers who spill the beans outside before coming to the Dispatch Box. I believe that if they do that they should be named. I believe that would quickly bring them to heel.

We need an Executive who are better balanced with the legislature than at the moment. Perhaps it is time for a new Dunning's motion: "the power of the Crown has increased, is increasing and ought to be diminished"—for "Crown" read "Executive". We have to redress the balance and I believe that there are things that the Speaker can do, just as I believe that it is the duty of the Speaker to protect minority parties and minority interests.

The Speaker should have no political views, but he can adopt the stance of Voltaire: "I dislike what you say, but I will defend to the death your right to say it." From my experience in the House, I know very well how much I depended on catching Mr. Speaker Wetherill's eye when I was speaking against the hated poll tax and when I was moving amendments to try to preserve the Greater London council. I know how much I depended on Madam Speaker Boothroyd allowing me to catch her eye when I was conducting an often unpopular—on my own side—campaign against the then Government's policy in Bosnia. I know what Back Benchers need from that Chair.

It has been very sad to see Parliament so vulnerable in recent weeks. There was a time when Members of Parliament eagerly scanned the press to see if their speeches were reported. Now they apprehensively scan the press to see if their expenses are commented on. We have to redress that balance.

I have a passionate belief in democracy. I have four grandchildren and I want them to feel that this place is indeed the ultimate defender of their liberties and the guardian of their hopes and future, because the real poor are those who have no hope. I hope that many young people from their generation will aspire to sit in this House, to serve the people of this country.

I submit myself to the will of the House.

3.25 pm

Sir Alan Haselhurst (Saffron Walden) (Ind): Although it is a pleasure to follow the eight distinguished colleagues who have already addressed the House, I have the nasty feeling that there is a certain amount of print through in the remarks that have been made.

Undoubtedly, this election is taking place in extraordinary circumstances. With greater public interest aroused, I think that we as candidates should be thankful that only Members have the vote. To we who know what is and what is not possible, the media expectation for the new Speaker has got more unrealistic by the day. However, there can be no doubt that change is in the air. I welcome change; I have argued for change; and if chosen, I will work for change.

Although never having seen myself for one moment as part of the establishment, I do believe that I have the necessary experience to guide the House through the current changes and those that will arise in a new Parliament. But of course, some change will come with whoever is chosen—the style and the personality of the new Speaker will ensure that. Now, the House has seen me in action. I have shown that I can bring about more vitality and greater inclusivity in our proceedings. I have been known to favour brevity, and I would favour it even more from those on the Front Benches in the future. I have shown that it is possible to get to 20 questions. So I say to the House that I know the job; I believe that I could do it well; and I promise not to bark too much at the hon. Member for Corby (Phil Hope).

Without more ado, the authority of being Speaker would allow fuller use of discretion, over urgent questions, over emergency debates and over the timing and length of statements—the purpose being to achieve a better match between our proceedings and the issues of the day, which are often out of sync. The Speaker, nevertheless, as we have been reminded more than once, remains the servant of the House and not its master, but we have put our Speaker into a position of greater impartiality than any other Speaker in a Parliament in the world, and I believe that we should follow the logic of that and grant the Chair more discretion in the reform of procedures.

More extensive reform must have the agreement of the House. The party leaders are all talking reform. They would find me proactive in encouraging them

[Sir Alan Haselhurst]

towards consensus. If they falter, I certainly have plenty of ideas. Yes, a business Committee giving the House more say on the arrangement of business would help to achieve a better balance between Back Benchers as a whole and the elected majority. Select Committees have become, and are becoming, an ever more important part of the scrutiny function of the House, so, at the very least, the House should elect their Chairmen.

Private Members' motions should be restored, thus allowing a Member to table a substantive motion with the expectation of a vote at the end of the debate. I believe that we could copy the example of the Finance Bill, by allowing the Opposition parties to select those parts of Bills that they believe should be considered in Committee of the whole House, leaving the rest to be dealt with upstairs in Committee. Fridays should be altered, with set slots to allow sensible debate on private Members' Bills, with Divisions on a deferred basis the following week. Westminster Hall is now a fixture; we could use it much more imaginatively.

Heavy on our minds, however, is the subject of our allowances. I appreciate the hurt that many hon. Members feel, and it makes me all the more determined to ensure that we must get this right. I would engage with Sir Christopher Kelly to encourage an integrated approach to salary and allowances. The allowances problem—and, let us face it, the cost of administering it—shrinks if salary becomes a greater component of the remuneration package and the additional costs allowance a lesser one.

Now, without wanting to become a media turn, I believe that there is a role for the Speaker in speaking up for the House. It is important to accentuate the positive: independent research showing that, on average, Members regularly work 70 hours a week on behalf on their constituents. There is genuine public interest in what our role is and we should explain ourselves better. I will aim to be an accessible Speaker—accessible to all Members from any part of the House—and I will seek regular input from colleagues on a systematic basis.

Overall, my aim will be to help the House to up its game, not only through how we, as Members, present to the public, but through how we do our work on the people's behalf and how we discharge our duties designed towards the better governance of our country.

For all that has been said of late, I firmly believe that the House remains the cradle of our democracy. This is the place to which so many people from overseas look for advice and inspiration. The outcome of today's proceedings must carry with it a determination to renew this House's reputation, and it is in that spirit, and with that resolve, that I submit myself to the will of the House.

3.31 pm

Mr. Parmjit Dhanda (Gloucester) (Lab): Nearly there; this is the last one.

I have been in this race for 12 days. I have been playing catch-up, because others have probably been in it for 12 months or perhaps longer—who knows? The key thing that brought me into this in the first place was a sense of frustration.

I listened to all nine contributions. Actually, I passionately believe that any of the 10 of us is capable of doing the job of Speaker. However, I ask myself and colleagues in the House: do we all really get it? Do we understand the extent of crisis out there and the level of people's anger? I am not sure that we do.

We have seen ourselves on the front pages of national and local newspapers day in, day out, and as the main item on news bulletins day in, day out. Then, two Sundays ago, we had the results of the European elections, which mean that two of our representatives in the European Parliament come from the British National party. That should send us a very strong message. The message is not that the British people are racists—I do not believe that they are—but they are telling us that they are thoroughly disengaged with us. They think that this place is remote and distant from them and that we are remote and distant from them as well.

So, what do we do now? That is the challenge and the question that we are being asked today. The easy and safe thing would be to retreat to someone who is a safe pair of hands—an establishment candidate. We have no end of quality candidates with great ideas, and we have heard from them today. We have half a dozen knights of the realm and Privy Counsellors—as I said the other day, there are probably more gongs than you will see at the Olympic games—but are they in touch and do they speak the language of modern Britain? Part of the question that we need to ask ourselves is whether we will be thanked tomorrow for our choice.

My proposals are quite different from what all the other candidates are talking about. We need to change the settlement between the citizen and Parliament. We need a more deferential Parliament and to give more power away to local people and communities—that is the way to re-engage with local people.

In this day and age, when the rest of the public—our constituents—are using Facebook, Twitter and the internet, why should our Front Benchers be dictating the topical issue for debate? We should be allowing the public to decide that through internet polls. If we did, the Chamber would be far fuller, because we would be discussing the desires of local people who have a direct input into their democracy.

Time and again, we have debates in Westminster Hall about local and regional issues, and issues that matter to us. I would want to move the apparatus of our Adjournment debates by taking them out of the capital to towns and cities throughout the country—whether Gloucester, Bristol, Birmingham or Manchester—and giving those areas a little prestige by being part of Parliament. Instead of Ministers responding to debates by reading out sides of A4, I think that you would find them responding to packed public galleries, rather than to one man and his dog, and maybe a Lobby correspondent. We would then also be able to re-engage local media. I think that it would be a good thing for those Ministers to feel the heat of local public opinion. That is likely to change the culture of decision making, and would, I think, lead to better decisions being taken in the first place.

At the current rate of change, we in this House will not be representative of modern Britain at any stage in the next 100 years. I do not want to be a dictator, I promise you—honestly, I do not—but the next Speaker of this House needs to be a driver for change, someone who will cajole and try to persuade our party leaders to make this House more representative of our different classes, genders and races much, much quicker. I cannot believe that in 2009 we are still talking about having a

crèche that we Members can pay for in this House. If the next Speaker, whoever he or she is, does not implement that idea within the next 12 months, frankly, they will have failed. We need to make fundamental changes. We need a more deferential Parliament. We will be stronger, ultimately, and more respected as politicians, if we move the pendulum of power back to local communities.

In conclusion, my father always said to me, while bringing up my two older siblings and me, that nobody should put an artificial barrier between us and our hopes, our expectations and our ambitions. That would be a good motto for whoever is the next Speaker of this House, because I want people to aspire to be here. I want them to be ambitious, regardless of their background, to create a House that is more representative of modern Britain. If we are not brave enough to make changes here, in the mother of all Parliaments, then where? After the time that we have just had, if not now, then when? The rest is up to you.

Mr. Alan Williams (in the Chair): All the candidates have now addressed the House, and may I thank them on behalf of the House? [HON. MEMBERS: "Hear, hear!"] There are so many of them, but they spoke with such brevity. In a moment, I will declare the ballot open. When I do so, Members with surnames beginning with the letters A to K should vote in the Aye Lobby. Members with surnames beginning with the letters L to Z should vote in the No Lobby. Please note that the side doors will be locked, so entrance to the Lobbies will be through the usual main entrance.

When you enter the Lobbies—much of this is obvious, but it has to be said—please give your name to the Clerk at the appropriate desk for your surname. Surnames have been divided into three streams in each Lobby. When you have passed the desks, you will be given a ballot paper. When you have completed it, please place it in one of the ballot boxes at the exit of the Lobby. I remind Members that they should vote for only one candidate. *[Laughter.]* It would be much preferred, anyhow. The ballot will be open for 30 minutes. I hope to announce the result about an hour after the closure of the ballot. Sorry that it will take so long, but it is a secret ballot, and it will take time to count the votes. The House will be alerted by the Annunciator before it is to resume. Division bells will also be rung.

I declare the ballot open.

3.39 pm

Sitting suspended.

5.7 pm

On resuming—

Mr. Alan Williams (in the Chair): Order. This is the result of the first ballot. Five-hundred and ninety-four ballots were cast. The numbers of votes cast for each candidate were as follows:

Margaret Beckett, 74 votes;

Sir Alan Beith, 55 votes;

John Bercow, 179 votes;

Sir Patrick Cormack, 13 votes;

Mr. Parmjit Dhanda, 26 votes;

Sir Alan Haselhurst, 66 votes;

Sir Michael Lord, 9 votes;

Mr. Richard Shepherd, 15 votes;

Miss Ann Widdecombe, 44 votes;

Sir George Young, 112 votes.

One ballot was spoiled. *[Laughter.]* [HON. MEMBERS: "Name them."]

No Member received more than 50 per cent. of the ballots cast. Sir Michael Lord received the fewest votes. Sir Patrick Cormack, Parmjit Dhanda and Richard Shepherd received fewer than 5 per cent. of the ballots cast.

Before I confirm the list of candidates for the next ballot, I now invite any candidate who, as a result of this round, has decided that they would like to withdraw from the next round, to come and inform me here in the Chamber within the next 10 minutes.

The next ballot will then be opened as soon as the ballot papers have been printed, checked and put in place, which is likely to be about 30 minutes from now. I will cause the bells to be rung as soon as the Lobbies are ready and the ballot will then start. As before, Members will have 30 minutes to vote.

5.9 pm

Proceedings suspended.

5.19 pm

Mr. Alan Williams (in the Chair): The candidates for the next ballot will be Margaret Beckett, Sir Alan Beith, John Bercow, Sir Alan Haselhurst, Miss Ann Widdecombe and Sir George Young. It will be opened as soon as the ballot papers have been printed, checked and put in place. This is likely to take about 20 minutes. I will have the bells rung as soon as the Lobbies are ready, and the ballot will then start. As before, Members will have 30 minutes to vote.

Proceedings suspended.

5.36 pm

Mr. Alan Williams (in the Chair): The ballot papers are now in the Lobbies. The second ballot is now open.

Sitting suspended.

6.55 pm

On resuming—

Mr. Alan Williams (in the Chair): Order. This is the result of the second ballot. Five hundred and ninety-nine ballots were cast. The numbers of votes cast for each candidate were as follows:

Margaret Beckett, 70 votes;

Sir Alan Beith, 46 votes;

John Bercow, 221 votes;

Sir Alan Haselhurst, 57 votes;

Miss Ann Widdecombe, 30 votes;

Sir George Young, 174 votes.

One ballot was spoiled. *[Laughter.]* Well, at least one of you is being consistent.

No Member received more than 50 per cent. of the ballots cast. Miss Ann Widdecombe received the fewest votes.

[Mr. Alan Williams (in the Chair)]

Before I confirm the list of candidates for the next ballot, I invite—almost beg—*[Laughter.]* I am getting older. I invite any candidate who wishes to withdraw to inform me, please, in the Chamber within the next 10 minutes. The next ballot will be opened as soon as the ballot papers have been printed, checked and put in place, which is likely to be about 30 minutes from now. I will have the bells rung as soon as the Lobbies are ready, and the ballot will then start.

I have made a change to the voting time: under the powers given to me under the Standing Order, the time for voting in the next ballot will be reduced to 20 minutes. [HON. MEMBERS: "Hear, hear."] Thank you.

6.56 pm

Proceedings suspended.

7.6 pm

Mr. Alan Williams (in the Chair): Order. Margaret Beckett, Sir Alan Haselhurst and Sir Alan Beith have all withdrawn. The candidates for the next ballot are John Bercow and Sir George Young. It will be opened as soon as the ballot papers have been printed, checked and put in place, which is likely to be in about 20 minutes. I will have the bells rung as soon as the Lobbies are ready, and the ballot will then start. Members will have 20 minutes this time to vote.

Proceedings suspended.

7.18 pm

Mr. Alan Williams (in the Chair): The, hopefully, final ballot is now open.

Sitting suspended.

8.30 pm

On resuming—

Mr. Alan Williams (in the Chair): This is the result of the third ballot. Five hundred and ninety-three ballots were cast. The number of votes cast for each candidate was as follows: John Bercow 322; Sir George Young 271. *[Applause.]* Order. Let us make sure that we sign it off properly. Mr. John Bercow has secured more than 50 per cent. of the ballots cast.

Question put forthwith (Standing Order No. 1B(10)). That John Bercow do take the Chair of this House as Speaker.

Question agreed to.

Mr. Alan Williams (in the Chair): Congratulations, Mr. Speaker Bercow. *[Applause.]*

Mr. Alan Williams left the Chair, and John Bercow was taken out of his place and conducted to the Chair by Mr. Charles Walker and Sandra Gidley.

Mr. Speaker-Elect: *(standing on the upper step):* Thank you. My first pleasant duty is warmly to thank on behalf of us all Alan Williams for the magnificent and good-humoured way in which he has conducted this election. It has been a very long day, and those of you expecting a customarily lengthy diatribe will be sorely disappointed.

I should like to thank and pay a heartfelt tribute to all of the candidates who stood in this election. It has been a constructive debate that we have enjoyed over the last few weeks. I confess that I have the highest regard for all the other candidates; each brought something to the occasion; each had a contribution to make; and I can honestly say that each made that contribution in the most sincere and constructive fashion to the great and continuing benefit of this House.

Colleagues, you will understand that my thoughts at this time are, above all, with my family: my wife, Sally, our three very young children, Oliver, Freddie and Jemima, not to mention my beloved mother, who has been keenly interested in the proceedings.

Colleagues, you have just bestowed upon me the greatest honour that I have enjoyed in my professional life. I thank you from the bottom of my heart for the confidence that you have placed in me, and I am keenly aware of the obligations into which I now enter. I just want to say this about the responsibility of the office.

I said only a few hours ago in my speech that, if elected, a Speaker has a responsibility immediately and permanently to cast aside all his or her previous political views. I said it—*[Interruption.]*—and I meant it. My commitment to this House is to be completely impartial as between members of one political party and another. That is what it is about, and I will do my best, faithfully and honourably and effectively, to serve this House in the period ahead.

We have faced quite the most testing times. It has been a gruelling experience. Many Members feel very sore and very vulnerable, but large sections of the public also feel angry and disappointed. We do have to reform, but I just want to say that I continue to believe that the vast majority of Members of this House are upright, decent, honourable people who have come into politics not to feather their nests, but because they have heeded the call of public service. They want to serve their constituents, to make a difference and to improve the lot of their fellow citizens in this country, and for such people I shall always have the highest respect. It is on that basis, with that conviction, and in that spirit that I shall seek to discharge my obligations in this office, which—as I have said—I regard it as the greatest privilege of my professional life to occupy.

8.37 pm

The Prime Minister (Mr. Gordon Brown): Mr. Speaker-Elect, let me say on behalf of the whole House that it gives me the greatest pleasure to offer you the warmest congratulations on your election as the 157th Speaker of the House of Commons. You join a long and prestigious history of Speakers who have all shared this moment in the election process. For now, however, you await confirmation by the monarch.

The House will know that, having received royal approval, the longest sitting Speaker held this great office for 33 years. Sir John Popham, however, was not so fortunate. He was the shortest-serving Speaker ever elected by this House. He might have been acceptable to his fellow Members, but he was not acceptable to the monarch. Let us hope that tonight you follow in the tradition of the longest-serving Speaker.

In our election of the Speaker, the House is carrying out one of its most important responsibilities. The public are today looking to see whether we mean to

change, and I believe that it was made clear in all the speeches made by all the candidates for the office of the new Speaker that we have taken an important step in that process of change. So let me also pay tribute, on behalf of all Members of this House, to all Members who were prepared to put their names forward as candidates for this great office, and to the high quality of their speeches today. We should draw confidence from the knowledge that all 10 candidates were clearly driven by their desire to do what is best for this House and, by so doing, to do what is best for the public and those whom we serve, and I thank them all.

Let me also thank my right hon. Friend the Member for Swansea, West (Mr. Williams), who ensured today that the election was carried out under new procedures, and did so with his customary charm, dignity and fairness.

Mr. Speaker-Elect, all of us in this House know that you bring great personal strengths, and integrity and independence, to the office to which we have elected you. Your deep and passionate concern for children's issues, especially for those of children with learning disabilities, has been warmly welcomed right across this House. Your interest in helping those in greatest need, not only here in Britain but in helping some of the poorest people on our planet, has been a mark of your distinction in this House. In your co-chairing of the all-party parliamentary group on Burma, you have demonstrated your commitment to democracy in every part of the world. You said that you had now cast aside all your past political views; some of us thought you had done that some time ago. You are, of course, highly respected as a professional tennis coach; for ever now, you have moved to the position of umpire. Your commitment in your speech today was to change. You will bring strength of character and purpose to our House and all of us will wish you to succeed as you discharge your responsibilities in a spirit of fairness and responsibility.

This House has faced great moments of difficulty and great moments of challenge. Today, we have the opportunity to begin a new chapter with a new Speaker. Today we have heard that every candidate for the office has understood that Parliament must reform. We have shown today also that we can cross party divisions in our choice of Speaker, and I believe this country will also want us to work together in the same spirit as we set about reforming and changing our politics in this great House and creating a new system of transparency and accountability that should take immediate effect.

Undoubtedly, the road ahead will not be easy, but with your leadership and integrity, this House has begun along the path to renewal. Mr. Speaker-Elect, this House, I know, joins me in congratulating you on the highest of distinctions and thanks you for taking up the greatest of responsibilities in this House of Commons. Congratulations.

8.42 pm

Mr. David Cameron (Witney) (Con): Mr. Speaker-Elect, may I join the Prime Minister in offering my congratulations, and in wishing you well, not least in crossing that last hurdle that the Prime Minister referred to: the agreement of the monarch? I would like to thank the Father of the House for the way in which he conducted proceedings. I was not here for the last contested election for Speaker, but I gather that this one was a model of efficiency and good practice, so I thank him for that.

Mr. Speaker-Elect, you know that on the Conservative Benches all colleagues share a view of the importance of the House of Commons, the importance of the role of Speaker and the importance of the practices and procedures in this House, and you should know that, in discharging your responsibilities, it goes without saying that you have the support of those on these Benches, but not just in your work as Speaker, but in the vital work of reforming and renewing this House, which so badly needs to happen.

Mr. Speaker-Elect, I have read a lot about our own relationship. The thing that has never come out is the fact that, of course, briefly for a time we were both together the first pair of the Lords and Commons tennis team. I would also like to put on record a historical first that you have achieved, which is to be the first person of the Jewish faith to occupy the office of Speaker of the House of Commons, and it is a milestone that we should mark. I also noted, as all colleagues did, what you said about casting away your past political views, and I think that on the Conservative Benches we would say, "Let's hope that includes all of them."

I listened carefully, as did hon. Members throughout the House, to an excellent debate this afternoon and a series of very strong and powerful speeches. I thought that there was something very powerful in what the hon. Member for Gloucester (Mr. Dhanda) said about our need to demonstrate in this House of Commons that we get it—that we get the need for transparency, that we get the need for the reform of pay and allowances, and that we get the need to understand, and respond properly to, the public's anger. We share a collective responsibility for what went wrong; we share a collective responsibility for putting it right. Your success will enable all of us to succeed in that; and on that note, I wish you well.

8.44 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): I, too, wish to add my congratulations on your election, Mr. Speaker-Elect, and I also thank the Father of the House for conducting the proceedings. The move to a secret ballot was the right one, and I congratulate him on inaugurating the process so successfully, although judging by the cheer that went up when he said that the third ballot would be accelerated, I am not alone in hoping that next time we will be able to move at a less dignified pace.

You have an enormous challenge and opportunity before you, Mr. Speaker-Elect. Never in living memory has Parliament been the subject of so much anger and dismay from the people who send us here. The need for change is simply unprecedented, but you know, as we all know, that change does not come easily to this place, where old habits die hard. So you must be different from every Speaker who has ever come before you—no longer just another pillar of the establishment. We urge you to reinvent the role of Speaker as a catalyst for radical change. On your own, you cannot bring about that change, but you can become one of its prime architects.

In your speech to us this afternoon, you rightly said, "I do not want to be someone; I want to do something." I urge you also to remember some of the words of other

[Mr. Nick Clegg]

candidates in today's election, especially those of the hon. Member for Gloucester (Mr. Dhanda) who rightly said that we should all look to change what he called the settlement between Parliament and the people, and of the hon. Member for Aldridge-Brownhills (Mr. Shepherd) who said that this is a moment not for rhetoric but for action.

To misquote the misquote from the right hon. Member for North-West Hampshire (Sir George Young), you must now show that you are in the office of Speaker, but not run by the office of Speaker. You will be at the centre of an institution that you yourself will wish to challenge. We know that there are many things that everyone agrees on, so let us not delay, consult and analyse, but act quickly on reform, under your guidance and leadership. You have a mandate for change, Mr. Speaker-Elect, not just from the votes you won today across the Floor of the House, but from the people of Britain whose legitimate anger made this election happen. I urge you to use it.

8.47 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): May I congratulate you most warmly, Mr. Speaker-Elect, personally and on behalf of my Friends and colleagues in Plaid Cymru and the Scottish National party? Today we saw Parliament at its best, with 10 worthy candidates, 10 very good speeches and one very worthy winner. I feel sure, Mr. Speaker-Elect, that you will be as mindful of the need to protect the interests of minority parties as you will of all the parties in this House. Without doing too much damage to myself by saying things like that, may I finish by warmly congratulating you and wishing you well in the momentous tasks that you have ahead of you?

8.47 pm

Mark Durkan (Foyle) (SDLP): May I, on behalf of my colleagues, join in thanking the Father of the House for the manner in which proceedings were conducted today? I also want to thank all the candidates. The campaign that we witnessed, the debate and the ideas were important in raising the sights of Members of this House, and were important reminders of our purposes and our proper priorities.

The contributions today went some way towards re-edifying the proceedings of this House, but we now have to move forward to reforming the processes of this House. It is clear that you, Mr. Speaker-Elect, have received a mandate towards that end. All the other candidates sought a mandate to that end and all party leaders have pledged themselves to that end. Let us now move to decisive, authoritative reform that means something to Members of this House and that is credible to the public.

I congratulate you, Mr. Speaker-Elect, on your election. It is important that you are the first member of your religion elected to this high office, and all of us have every confidence that you will honour every pledge that you have made.

8.49 pm

Dr. William McCrea (South Antrim) (DUP): Mr. Speaker-Elect, on behalf of my right hon. and hon. Friends I would like to take this opportunity to congratulate you on your elevation to the very important office of Speaker of the House of Commons. I thank the Father of the House for the manner in which he carried out the election and I congratulate all the other candidates on the excellent speeches that they gave to this House today. Last week, I thanked Speaker Martin for his defence of the rights of Back Benchers and minority parties. I trust that you, Mr. Speaker-Elect, will continue in that vein. Finally, I simply trust that you will be granted great wisdom as you take this House of Commons through challenging times.

8.50 pm

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): Mr. Speaker-Elect, you have heard from the Prime Minister and from the leaders of the various Opposition parties. It is notable that the members of the fourth estate have gone away already, to decide why they got their predictions so wrong and whether you have a fine turn of calf which merits a certain kind of Victorian dress—who knows? To reflect the comments of the hon. Member for South Antrim (Dr. McCrea), I know that you will consider every day when you sit in that Chair that you do not owe the power of your position to Front Benchers. You owe the power of your position to the Back Benchers in this place. I hope, pray and trust that you will look out for the interests of those Back Benchers, because as sure as night follows day those Back Benchers will look out for your interests, too.

8.51 pm

Dr. Richard Taylor (Wyre Forest) (Ind): As the senior independent Member, may I add my congratulations and welcome you sincerely, Mr. Speaker-Elect? Your changes of mind have demonstrated your independence and I hope that that independence will continue in this high post. Many congratulations to you, Sir.

Mr. Speaker-Elect: I think that the Prime Minister will now inform the House of the detailed arrangements for Royal Approbation.

The Prime Minister: I have to signify to the House the pleasure of Her Majesty that the House should present their Speaker this day at 9.45 pm in the House of Peers for Her Majesty's Royal Approbation.

8.51 pm

Sitting suspended.

MESSAGE TO ATTEND THE LORDS COMMISSIONERS

Message from the Lords Commissioners delivered by the Gentleman Usher of the Black Rod.

The Speaker-Elect, with the House, went up to be presented to the Lords Commissioners for Her Majesty's Royal Approbation; and returned.

Mr. Speaker: I have to report that this House has been in the House of Lords where Her Majesty has been pleased, by Her Majesty's Commissioners, to approve the choice made of myself for the office of Speaker.

My first duty to the House is to repeat my respectful acknowledgements and my grateful thanks for the great honour you have conferred upon me in placing me in the Chair and to renew the assurance of my entire devotion to the service of the House.

SPEAKER MARTIN'S RETIREMENT

Resolved, nemine contradicente,

That an humble Address be presented to Her Majesty, praying Her Majesty that she will be most graciously pleased to confer some signal mark of Her Royal favour upon the Right honourable Mr. Michael J. Martin for his eminent services during the important period in which he presided with such distinguished ability and dignity in the Chair of this House.—*(Ms Harman.)*

Address to be presented to Her Majesty by Members of the House who are Privy Counsellors or Members of Her Majesty's Household.

ADJOURNMENT

Resolved, That this House do now adjourn.—*(Ms Harman.)*

10.7 pm

House adjourned.

House of Commons

Tuesday 23 June 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

BROADS AUTHORITY BILL

Lords amendments considered and agreed to.

Mr. Speaker: Just before I call the opening question, I would like to ask hon. Members to keep their supplementaries to one question, and I would ask that Ministers' replies are kept to a reasonable length. I am determined that we make good progress through the Order Paper.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Cancer Awareness in Men

1. **John Robertson** (Glasgow, North-West) (Lab): What steps he plans to take to encourage men to seek medical assistance in the early stages of cancer. [281535]

The Parliamentary Under-Secretary of State for Health (Ann Keen): If I may be permitted, I should like to congratulate you on your first Question Time, Mr. Speaker.

The theme of last week's men's health week, which we supported, was men's access to health care services. We are working to improve awareness of the signs and symptoms of cancer among men and women in England and to encourage those with symptoms to seek help earlier than they currently do so.

John Robertson: As the first Back Bencher to speak today, may I welcome you to the Chair, Mr. Speaker? I wish you all the good luck and good will that you deserve. I hope that you will receive a lot more luck and good will than some of your predecessors have received.

I thank my hon. Friend for her answer. Will she provide some detail and explain what she proposes to do to fill in the gaps that mean that men seem not to go to the doctor or take advice? How can we try to get them to the doctor to ensure that treatable cancer is treated very quickly? Hopefully we will not then have the deaths that we have at the moment.

Ann Keen: From evidence, the reasons why men are more likely to develop and, sadly, die from cancer are complex. We do know that the earlier a cancer is diagnosed, the higher the chance that it will be treated successfully. Men are notoriously bad at taking care of themselves and tend to put off seeing their GP, which risks later diagnosis and treatment. To mark men's health week, and with the help of the Football Foundation, of which men constantly take notice, NHS Choices has highlighted five important male health issues: testicular cancer, skin cancer, mental well-being, prostate cancer and sexual dysfunction.

Mr. Speaker: I was touched to receive the kind remarks of the hon. Member for Glasgow, North-West (John Robertson) and of the Minister. Perhaps I could just say—I hope that it is not presumptuous—that if any other Member was thinking of following suit, I ask him or her not to do so. We do want to make progress through the Order Paper.

Sir Nicholas Winterton (Macclesfield) (Con): Will the Minister indicate why the national health service is not always prepared to give people suffering from the early stages of cancer the most modern, up-to-date medication, even if it is the most costly? Why will it not prescribe the best drug to limit the advance of cancer?

Ann Keen: Our advancement in the treatment of cancer is well recognised in our cancer plan, but we still have to educate men and women in this country so that they go to their doctor earlier and diagnosis can be made much quicker and more effectively. That is what we are doing through many different initiatives.

Mr. Stephen Hepburn (Jarrow) (Lab): Does the Minister agree that although it is important that men go for early advice, it is also important that they get an early correct diagnosis? I am dealing with the case of a constituent who unfortunately died after being tret for 10 months in our local South Tyneside hospital for a urine infection. He was transferred to Sunderland, where he was diagnosed with prostate cancer, and he died—a tragic case. Will the Minister agree to meet me so that we can discuss the issue further, to find out how we got to this position?

Ann Keen: Yes. I am sorry about that particular tragedy of my hon. Friend's constituent. The issue is so important, and I will be very happy to meet him.

Michael Fabricant (Lichfield) (Con): Testicular, prostate and skin cancers all have a good outcome, provided that they are diagnosed early. The hon. Lady is quite right that people must see their doctors quickly and that men do not look after themselves, but what steps can she take over a sustained period, not just a week, to ensure that there is a change of attitude and that men go to the doctor early for diagnosis?

Ann Keen: This is about education and schools getting through to young people about self-examination, which can still be done for some of the problems that affect men. Through the screening programme in the national awareness and early diagnosis initiative, we are bringing screening closer to those concerned in many imaginative ways. I am sure that if the hon. Gentleman looked on the NHS Choices website, he would see that.

Ms Sally Keeble (Northampton, North) (Lab): Is my hon. Friend aware that my constituency has one of the highest death rates from prostate cancer in the country? Would she support primary care trusts in areas such as mine in understanding why the death rate is so high and, in particular, whether there is a high incidence or whether the problem is access to services and education?

Ann Keen: I was unaware of the problem in my hon. Friend's constituency, although I would be happy to look at it with her. The Government are committed to introducing screening for prostate cancer; indeed, a ministerial statement on prostate cancer screening was made on 19 March. We have made great advancements in prostate cancer, which is good news for the men of our country. We now need to get that out to GPs and look at their skills and training needs.

Mark Simmonds (Boston and Skegness) (Con): May I press the Minister further on prostate cancer? It is the second most prevalent cancer in men in the country, with 35,000 new cases diagnosed every year, yet there are still wide inequalities in care and outcomes. Could the Minister say a little more about what specific actions and improvements she is planning in order to provide greater information about prostate care, to widen access to treatments such as hormone therapy and brachytherapy, to encourage greater provision of clinical nurse specialists and to ensure the full implementation of national guidelines?

Ann Keen: I am pleased that the House is giving this subject the importance that it deserves. The UK National Screening Committee is meeting today to discuss the new evidence and decide whether there is now enough information to make a decision on screening for prostate cancer. Should it decide that there is still insufficient information, it could commission further analysis. If that is the case, the committee will set a clear reporting timetable.

Mr. Lindsay Hoyle (Chorley) (Lab): The Minister is quite right in the way that she is addressing the issue. Testicular and prostate cancer are the silent killers, especially prostate cancer. The problem is that men seem to be too embarrassed to go to the doctor's, but what about doctors calling men in earlier and regularly doing a full screening, rather than waiting for symptoms to appear? The problem is that most people do not even know that they have the symptoms. A regular call-in would be a way round that.

Ann Keen: I agree with my hon. Friend. Extending screening in different ways is important, which is why earlier I mentioned the good work that the Football Foundation does with us, because it helps in raising awareness where there tends to be more of a gathering of men.

Working Time Directive

2. **James Brokenshire** (Hornchurch) (Con): What his most recent assessment is of the effects of the European working time directive on acute hospital services in the future. [281536]

The Secretary of State for Health (Andy Burnham): Our aim is to ensure that, consistent with patient safety, the maximum number of services are supported to achieve compliance with the directive by 1 August. Two hundred and forty-seven trusts have now reported on 6,646 rotas. Following independent scrutiny, the proposed number of services for derogation is 200. I will shortly lay a statutory instrument before Parliament which will amend the working time regulations and set out the relevant information in detail.

James Brokenshire: What action will the Secretary of State take to deal with the significant concerns about the impact of the working time directive? Also, given the picture that he has painted of the action that he has taken, why has the British Medical Association suggested that there is insufficient preparation in some hospitals to deal with the fall in doctors' working hours and that the funds needed for that are simply not getting to the front line?

Andy Burnham: We have taken great care to ensure that patient care is not disrupted by the implementation of the directive. That is precisely why the statutory instrument will set out those services which will need more time to prepare for the full adoption of the working time directive. However, the hon. Gentleman has to accept that the issue is fundamentally about patient care. Tired doctors make more mistakes—all the evidence points to that—and I do not think that we want to return to the past, when junior doctors worked up to 70 or 80 hours a week and made more mistakes than they might otherwise have made.

David Taylor (North-West Leicestershire) (Lab/Co-op): The figures suggest that in March 78 per cent. of NHS trusts were compliant with the European working time directive, but that that fell to 64 per cent. in April. Will the Secretary of State tell us what he expects the figure to be for May, which is due to be released soon, and are we really prepared for the significant reduction that we shall see from 1 August?

Andy Burnham: It is important to say that two thirds of junior doctors in the health service are now working to compliant rotas, and that all other NHS clinical and staff groups are already compliant with the directive. That means that a substantial part of the staff in the NHS are already compliant with the requirements of the directive. Of course we continue to keep a close watch on these matters, and we will take every possible step to ensure that there is no disruption to patient care after 1 August. The statutory instrument that I am bringing forward will provide extra flexibility for NHS management to ensure that the measures are introduced safely.

Dr. Richard Taylor (Wyre Forest) (Ind): Two of the serious casualties of the shift system are continuity of care for patients and continuity of learning for junior doctor: How can these matters be specifically addressed within the 48-hour week?

Andy Burnham: The hon. Gentleman raises an important point. He will know that my predecessor asked NHS Medical Education England to look again at junior doctors' training, to ensure that, as part of their new working environment, they would get a grounding in all the necessary subjects. A review is under way into junior doctors' training, and I hope that I can give the hon. Gentleman an assurance today that it will pick up precisely the point that he has raised.

Rob Marris (Wolverhampton, South-West) (Lab): Since the Government do not believe that statutorily limiting an employee's average working week to 48 hours helps a worker's health, what hourly limit, if any, do they believe to be appropriate?

Andy Burnham: Obviously, individuals retain the ability to opt out of the requirements of the directive, but as I said earlier, this issue is fundamentally about patient safety. It is also about helping individuals to balance their work and home lives, and about ensuring that, when they are at work, they perform to the very best of their ability. We believe that we can safely introduce the working time directive across the NHS and that, overall, the outcome will be staff working to the highest of their potential while ensuring that patient safety is the absolute priority for the NHS.

Norman Lamb (North Norfolk) (LD): If I am not allowed to welcome you to your Chair, Mr. Speaker, may I at least welcome the Secretary of State back to the Department of Health, and the two Ministers to their posts?

The Secretary of State will be aware that one of the key findings of the Healthcare Commission in regard to Staffordshire hospital was the concern about low staff surgical rotas. The president of the Royal College of Surgeons has warned of the potentially "catastrophic" impact on hospitals of the new rules, saying that patients could be put at risk and that some could die. He also said that training could suffer, and that there was a risk of hospitals closing for emergencies. Given that we are now six weeks away from the implementation of the rules, will the Secretary of State agree to initiate a full risk assessment of their impact on patients, and to act in accordance with its findings?

Andy Burnham: I hope that when the hon. Gentleman sees the statutory instrument he will be reassured that it will provide the necessary flexibility in the specialties that it lists to ensure that the requirements can be safely introduced. I would also point him towards the evidence that early adopters of the directive, such as Homerton hospital, have shown a reduction in adverse incidents on the wards. Also, research by Warwick university medical school on trainees working in Coventry and Warwickshire university hospitals compared the number of errors made by junior doctors working no more than 48 hours with the number made by those working no more than 56 hours a week. It showed that fewer clinical errors were made by those working fewer hours. There is therefore good evidence to show that this move will improve patient safety in the national health service, although we of course take seriously the concerns that the hon. Gentleman has raised, and we will proceed cautiously at all times.

Mr. Stephen O'Brien (Eddisbury) (Con): May I from the Opposition Benches welcome the Secretary of State to his new post and to his first questions?

Mr. Speaker, as you will know, and as I discovered through a recent freedom of information request, Buckinghamshire hospitals need to lose 1,360 hours of doctors' training time to meet the requirements of the European working time directive. Will the Secretary of State confirm that patients will face cuts in care and that doctors will face worrying cuts in training because his Labour MEPs failed to oppose this European imposition?

Andy Burnham: I do not wish, at your first parliamentary questions, Mr. Speaker, to inject a note of political discord, but let us get some facts on the record. The last NHS work force census recorded that 34,910 consultants were working in the NHS—a 56 per cent. increase on 1998. It also showed that the overall number of doctors in training is 49,178—a 60 per cent. increase on 10 years ago. This Government have invested in putting more staff on the wards and they have not run junior doctors into the ground so that they were unable to do a proper job of caring for this country's patients.

Influenza Pandemic

3. **Mr. Andrew Mackay** (Bracknell) (Con): What progress his Department has made in its preparations for an influenza pandemic. [281537]

The Secretary of State for Health (Andy Burnham): The cumulative total laboratory-confirmed UK cases as of 22 June is 2,905. Globally, the total number of cases confirmed by the World Health Organisation is 52,160. The Health Protection Agency, in conjunction with the NHS, is doing an excellent job, working to minimise the spread of the virus. An interim national pandemic flu service has been tested and could be mobilised within a week; primary care trusts have put in place a support structure for this service. Discussions with manufacturers about our purchase of vaccine are at an advanced stage.

Mr. Mackay: With the real possibility of a national and full-scale pandemic of this flu, is the Secretary of State worried that his own national influenza helpline is not yet up and running? In those circumstances, does he think that NHS Direct will be able to cope?

Andy Burnham: The pandemic has been declared by the World Health Organisation, but it is important for the right hon. Gentleman to recognise, as does the World Health Organisation, that the UK is at the vanguard of countries around the world in its preparedness for dealing with the situation in which we find ourselves. I said in my reply that an interim flu line service is available and could be up and running within a week. We have also made preparations to ensure that the full national pandemic flu service will be available to be switched on in the autumn if it is needed. Our preparations are good and we remain in a position to ensure that patients are not put at risk. I hope that the right hon. Gentleman recognises the good progress made to date.

Andrew Miller (Ellesmere Port and Neston) (Lab): We are clearly in a strong position when it comes to world comparators in preparedness, but will my right hon. Friend assure the House that we are also in a strong position to learn lessons? Are preparations in place for proper mapping and modelling of the way in which the pandemic spreads throughout the UK, so that we can learn lessons that can be applied to the future?

Andy Burnham: Yes, we are. The Health Protection Agency has been doing a superb job in the early stages of this virus in monitoring, tracking and containing the

spread of the disease at a local level. Much research is going on, based on information from GP practices and other sources, to monitor how the NHS is also coping with the extra pressure on the system. I can give my hon. Friend a full assurance that every possible step is being taken to handle the current situation and learn and provide a resource for future use.

Mr. Crispin Blunt (Reigate) (Con): Ten days ago, a letter from a retired immunologist, Dr. Eva Kasp, was published in *The Times*. It said:

"I totally disagree with the current practice of closing schools to slow down transmission. The symptoms of the disease are relatively mild and recovery quick... I believe that exposing the population at this time of year will benefit them by giving them the opportunity to acquire immunity against the virus by the time the second and third wave of the virus arrives in autumn and winter, as expected by the professionals quoted in your article."

With what confidence does the Secretary of State believe that Dr. Kasp is wrong?

Andy Burnham: Obviously, I would refer Dr. Kasp to the chief medical officer. We are proceeding at all times on the basis of the best possible medical advice. The advice is that at this stage we should work to contain the spread of the virus at a local level. However, an important point is being made about the ability of the Health Protection Agency to continue working in that way. I was in the west midlands yesterday talking to staff from the agency and the extra flexibilities allowed to staff on the ground are helping give a more locally adjusted response within the national framework. Obviously, it is not possible to continue to test and to offer prophylaxis to all in the area affected and, accordingly, we are adjusting our response as conditions on the ground develop.

Mr. Jim Devine (Livingston) (Lab): As health is devolved to the Scottish Parliament and to the Welsh and Northern Ireland Assemblies, has my right hon. Friend met the appropriate Health Ministers in those bodies? Is there a consistent strategy throughout the UK?

Andy Burnham: The four Health Ministers have agreed a framework for handling the outbreak across the UK. I speak regularly to Nicola Sturgeon, Edwina Hart and Martin McGuinness and at all stages we are working together to make sure we adopt a consistent approach across the UK.

Mr. Andrew Lansley (South Cambridgeshire) (Con): You know you are getting older when Speakers look young.

In March this year, the Secretary of State's Department said that the national pandemic flu line would be available by April or May 2009—that is, by now. Now he says that it will not be ready until the autumn. Can he explain the delay?

Andy Burnham: These are important developments and this is a new service for the national health service. It is absolutely right that the service was tested in detail so that we knew that it could deal with the demand that it would be placed under. There have been examples in other areas where national telephone lines or internet services have not been able to cope at the point that they went live. That cannot be the case here; the service had to be tested rigorously and thoroughly, and it has been. If the hon. Gentleman was listening, he will have heard me say a moment ago that an interim service could be launched within a week. That would, if necessary, relieve pressure on primary care.

Mr. Lansley: I am sorry but the Secretary of State has simply not answered the question. We are not talking about an interim service. In March the Department said that the service would be ready in April or May. Clearly the Department must have felt that it was close to implementation. Was it because the Treasury refused to sign the contract? Was it because BT was holding the Department to ransom on the NHS IT programme? Why precisely was there a delay of several months that had not been expected in March?

Andy Burnham: It is important for the hon. Gentleman to understand that, because of the outbreak, the full solution was put on hold while interim solutions were developed. He and I discussed this a week or so ago and I thought that he accepted that point. When the service goes live, it will have to be able to cope with demand. We have put in place a comprehensive plan to deal with the outbreak, of which the national pandemic flu service is one part. I can assure him that come the autumn it will be ready to go live and to deal with the outbreak to ensure that we take pressure off general practitioners around the country. I hope he would recognise that these preparations are good ones, consistent with securing good value and protecting the public.

Child Abuse

5. **Mr. Graham Allen** (Nottingham, North) (Lab): What steps his Department is taking to assist health professionals to reduce levels of child abuse in the long term. [281539]

The Parliamentary Under-Secretary of State for Health (Ann Keen): We are working closely with NHS and professional leaders to ensure high-quality training and support for the children's health work force on safeguarding children. The Government's action plan in response to Lord Laming's recent report set out a range of measures, including action to strengthen training and support for professionals, action on health visiting, and action to support GPs.

Mr. Allen: My hon. Friend will know that the abusers of 20 years hence are being born today. Does she accept that if we can intervene now with those babies, children and young people to create better, more adept and more socially and emotionally capable people, we will be doing a tremendous amount to reduce abuse in the long term, as well as doing the necessary things that we have to do in cases such as that of baby P and others? Will she particularly commend the work of the family nurse partnership, sponsored by her Department, which is doing so much with those young families?

Ann Keen: I congratulate my hon. Friend on the work that he has always done in his constituency and the House on the care of children. We are expecting to roll out the family nurse partnership in even more areas. May I also congratulate children's trusts such as the Nottingham city partnership, which play a central role in improving arrangements to safeguard children?

Mrs. Maria Miller (Basingstoke) (Con): One of the key recommendations agreed to by the Government in Lord Laming's recent report was the reintroduction of a universal system of health visiting, seeing all children and developing strong relationships with families. How many new health visitors will the Minister be putting in place to make up the shortfall, which is currently estimated to be about 2,000 throughout the country?

Ann Keen: The hon. Lady is absolutely correct about the importance of health visiting: it is crucial for children and family development. We will expand the family nurse partnership programme in England to 70 test sites by 2011, and we also recently launched the action on health visiting programme, in which the Department is working very closely with the Community Practitioners and Health Visitors Association and other bodies in order to recruit staff, particularly to improve retention, and most importantly to try to bring us back up to the previous number of health visitors. We have lost some for a variety of reasons—in order to raise families, perhaps—and many might not be aware of the new flexible employment practice within the NHS.

Rheumatoid Arthritis (Prescription Charges)

6. **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): What recent representations he has received on exempting people with rheumatoid arthritis from prescription charges. [281540]

The Minister of State, Department of Health (Mr. Mike O'Brien): The Department of Health has received three letters from Members and has seen two submissions from patient groups.

Mrs. Riordan: I welcome the promise made by our Prime Minister at the Labour party conference in 2008 to abolish prescription charges for those suffering from long-term conditions. Will the Minister now outline a clear timetable for the abolition of these charges for those with chronic diseases, to help alleviate their problems?

Mr. O'Brien: I certainly agree that we need to reform the current arrangements for exemption from prescription charging in England to ensure that we have a fairer system. Professor Ian Gilmore is due to report in the autumn on how that may be done—it is quite a complex exercise—and we will then set a timetable for how we will be in a position to implement it.

Mr. Henry Bellingham (North-West Norfolk) (Con): Can the Minister tell the House how much his Department is spending on research? I have a number of constituents who suffer from this appalling ailment, and they tell me that, as well as exemption from prescription charges, their big priority is more research into this debilitating disease. Can the Minister tell the House the exact figures?

Mr. O'Brien: It will not surprise the hon. Gentleman to learn that, off the top of my head, I cannot tell him the exact figures for research, but I can tell him that a considerable amount of research is going on in this important area. We want to ensure that we get the drugs that will enable people to be assisted.

Smoking (Young People)

7. **Ann Coffey** (Stockport) (Lab): What plans he has to reduce the number of young people taking up smoking. [281541]

The Minister of State, Department of Health (Gillian Merron): Government action has helped reduce smoking among 11 to 18-year-olds from 18 per cent. in 1998 to 11 per cent. in 2007. The Health Bill goes further still by prohibiting tobacco promotion through display and preventing under-age sales from vending machines. I look forward to publishing a new tobacco control strategy this year, setting out additional action.

Ann Coffey: I thank the Minister for that reply. Although the number of young people in Stockport who smoke has significantly decreased, there are still twice as many young smokers in those areas where people have a lower life expectancy than in those areas where people have a higher life expectancy. I recently met health workers and Brinnington residents who are piloting a Lose the Fags scheme, where local people who have stopped smoking are the role models to encourage others to quit. Does my hon. Friend agree that more encouragement needs to be given to such innovative schemes if we are to ensure that inequalities in life expectancy are tackled in my constituency and elsewhere?

Gillian Merron: My hon. Friend is a great champion for quitting smoking. I am delighted to hear of the success of the scheme, and I congratulate her constituents on taking this action. We want to support a culture of quitting. That is why we are spending an additional £2.5 million this year on 25 local authorities in circumstances precisely such as those she describes—those areas with high smoking rates where local programmes are most needed. That is also why the Government are seeking to take even further action through provisions in the Health Bill.

Philip Davies (Shipley) (Con): There is nothing to suggest that the ban on tobacco displays will reduce the number of young people taking up smoking; that ban is merely another triumph for the nanny state and for this Government, who are obsessed with headline-grabbing but pointless initiatives. Will the Minister reconsider this decision, given the negative impact that it will have on small shops, which are already struggling through the recession?

Gillian Merron: The simple answer is no, and the reason why is that removing tobacco displays is not going to close shops, no matter how much the hon. Gentleman and others in the House spread myths; I have just written to Members of Parliament to outline the reality. The other truth—I look forward to discussing this issue in the Health Bill Committee this afternoon—is that there is a great deal of evidence that tobacco displays not only encourage young people to take up smoking, but discourage people from quitting.

Mr. David Clelland (Tyne Bridge) (Lab): If the display of tobacco products encourages young people to take up smoking, what influence do the crowds of people whom we see on the streets outside pubs and clubs have on young people? Would it not be better for these

smokers to be hidden away—inside the building in a controlled environment, rather than on the streets, where children can see them?

Gillian Merron: My hon. Friend is, as always, very inventive in making his point. As I said, we are looking ahead to a new tobacco control strategy. We have just finished the consultation and 100,000 responses were received. I look forward to seeing what further measures we may take.

Influenza Pandemic (Cheadle)

8. **Mark Hunter** (Cheadle) (LD): What assessment he has made of the effectiveness of implementation of the pandemic influenza response strategy in Cheadle constituency. [281542]

The Minister of State, Department of Health (Gillian Merron): To date, we are not aware of any specific issues in relation to swine flu infection in either Cheadle or Stockport as a whole. The strategic health authority is keeping the situation under review and we will respond to any outbreaks in line with the national response.

Mark Hunter: I am grateful for the Minister's answer. The Secretary of State confirmed earlier that the national flu hotline is in fact running six months behind schedule and will not now be available until October. In the circumstances, can the Minister reassure my constituents about the interim arrangements, and say whether the system will be able to cope satisfactorily with the expected influx of new cases later this year?

Gillian Merron: I can indeed give that reassurance. In the north-west, there are just 43 confirmed cases to contend with. Of course, the discussion earlier was about a national flu line, but I can give the reassurance that, should it be needed, the interim flu line will be available for the hon. Gentleman's constituents—and, indeed, for constituents anywhere else across the country. However, should there be a need for a local response, we are working carefully and closely with local health services.

Improving Young People's Health

9. **Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): What steps he is taking to encourage the NHS to co-operate with other public services to improve the health and well-being of children and young people. [281543]

The Secretary of State for Health (Andy Burnham): "Healthy lives, brighter futures", published in February 2009, sets out how we expect public services, including the NHS, to work together to improve the health and well-being of children and young people. This includes our action to strengthen arrangements for children's trusts.

Mr. Sheerman: Does my right hon. Friend agree that much of the evidence given to the Children, Schools and Families Select Committee regarding the vulnerability of young children points to the fact that health personnel are the weakest partner, that GPs often do not turn up at meetings unless they are paid, and that GPs do not do their job in the fullest, most co-operative way as part of the partnership?

Andy Burnham: Obviously, we would take that evidence very seriously indeed. I am sure that my hon. Friend would agree that, across the country, there are some excellent examples of NHS organisations and individuals working closely with joint teams on the protection of children and children's health more generally, but I am sure that there is more that the NHS can do, at times, to be a better partner. I look forward to discussing that issue in more detail with him and his Committee.

Mike Penning (Hemel Hempstead) (Con): Between 1 million and 3 million people in England and, obviously, thousands of children, do not get access to an NHS dentist. Would not one of the ways forward for improving child health be to reinstate inspections in schools, as our party has agreed to do, rather than ignoring the suggestion made in the review that came out yesterday?

Andy Burnham: I certainly will not be ignoring the review that came out yesterday, which has laid out an important vision for NHS dentistry, but I agree with the hon. Gentleman that improving children's dental health is an important objective. I have always also favoured public health measures in this area, such as water fluoridation, and I am happy to reassert that today. However, I am also clear that we must work to make sure that every child can get access to an NHS dentist, and I would happily work with him on that objective.

Thalidomide

10. **Mr. Roger Williams** (Brecon and Radnorshire) (LD): If he will bring forward proposals for a new compensation scheme for thalidomide victims in cases where the drug was prescribed on the NHS; and if he will make a statement. [281544]

The Minister of State, Department of Health (Mr. Mike O'Brien): Thalidomide victims have some compensation through a private settlement agreed by the Thalidomide Trust and Diageo plc. Government policy is not to make ex gratia payments to a patient whose health has been harmed by a drug, where the responsibility lies with a company.

Mr. Williams: The victims of thalidomide are now considerably older than they were when the initial scheme was established, and their needs are greater. Many are now unable to work, and the cost of acquiring the necessary equipment to support them is often prohibitive. Will the Minister look again at the funds that remain available for thalidomide victims, and will he have discussions with Treasury colleagues about the possibility of increasing that funding?

Mr. O'Brien: If the hon. Gentleman is talking about further compensation, I have already set out the policy position of the Government. If, however, he is talking about more tailored NHS payments, I am prepared to discuss that with those who represent thalidomide victims, who would perhaps be in a position to use some of the direct payment initiatives that we are considering in the Health Bill, which is currently before the House. That might provide us with some way of better serving those who are dealing with that condition.

Skunk Cannabis

11. **Ann Winterton** (Congleton) (Con): What recent evaluation he has made of research into the effects on mental health of the use of skunk cannabis. [281545]

The Minister of State, Department of Health (Gillian Merron): At present, we do not have enough research evidence to be clear about any extra risks posed to mental health resulting from skunk cannabis use. However, the cross-governmental drug strategy research group is identifying what further research is needed.

Ann Winterton: Some studies have shown that heavy users of skunk are much more liable to develop schizophrenia. In fact, the risk to them is 40 per cent. greater. How can the Government combat that, because there are serious long-term effects? In fact, the problem could be described as a mental health time bomb.

Gillian Merron: I am sympathetic to the points made. It is for that reason, and because of public concern and the kind of issues that have been raised, that despite the fact that what we know so far is that there is a probable but weak causal link, we have promoted the FRANK campaign, which has the slogan, "cannabis can mess with your mind", and we will continue to do that. Of course, while it is true that cannabis use is declining, the use of more potent cannabis such as skunk is increasing, and we are aware of that. We will continue our research and continue providing messages and information to the public.

Fiona Mactaggart (Slough) (Lab): If the Minister is considering where to focus research on the harmful effects of drugs, would she please look at the impact of khat, which is a legal drug, but which causes real concern in the Somali community, where its use is widespread?

Gillian Merron: I understand that that is a matter of increasing concern, and I will be glad to look at it and get back to my hon. Friend.

Maternity Services

12. **Mr. Adam Holloway** (Gravesham) (Con): What his latest assessment is of the performance of maternity services in (a) Gravesham and (b) England. [281546]

The Parliamentary Under-Secretary of State for Health (Ann Keen): In 2008, the Healthcare Commission published "Towards better births: A review of maternity services in England", which assessed the quality, capability and efficiency of maternity services in England. We have always put safety and high-quality care for mothers and babies at the heart of our vision for maternity services, and nine out of 10 women are pleased with the care that they have received.

Mr. Holloway: At various times, the Government have pledged that women will be able to choose where they give birth. Is the Minister confident that the Government will hit that target? If they have not done so yet, when will they be able to do it?

Ann Keen: We are working towards that target. We have had an unprecedented rise in the birth rate, and we had a midwife recruitment problem. We have now reached 1,000 and are working towards the extra 4,000, along with the Royal College of Midwives. The situation varies around the country, but I repeat that the safety of mothers and babies is paramount.

Topical Questions

T1. [281560] **Dr. Brian Iddon** (Bolton, South-East) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Andy Burnham): Yesterday, Professor Jimmy Steele published his independent review of NHS dental services. I have accepted the recommendations in principle and believe that the report sets out a clear vision for the future of dentistry that the profession can unite around. Next week, Lord Darzi will publish "High quality care for all: one year on", which will set out the progress at both local and national level in terms of embedding quality at the heart of the NHS. In early July, we will publish a Green Paper setting out options to reform the care and support system.

Dr. Iddon: Why has my right hon. Friend rejected Lord Archer's recommendation that patients who have contracted the hepatitis C virus from contaminated blood should receive the same compensation as those who contracted HIV from contaminated blood, as in the Irish Republic and several other countries?

The Minister of State, Department of Health (Gillian Merron): I deeply regret that patients have contracted serious infections as a result of NHS treatment 20 or more years ago. However, it is the different circumstances of patients that are reflected in the different financial arrangements. We will review the Skipton fund, which was set up for those infected with hepatitis C. In 2014, 10 years after its commencement, I cannot accept the comparison with Ireland, because the Irish blood transfusion service was found to be at fault, and that was not the case here.

T3. [281562] **John Hemming** (Birmingham, Yardley) (LD): Several people from the Birmingham area who were among the earliest to be infected with swine flu outside Mexico were in fact infected on a plane, which is almost a mechanism for cross-infection. What reviews have the Government carried out on what should be done on planes, not necessarily for this virus, whose symptoms are not so severe, but for future more serious infections?

Andy Burnham: Obviously, we take advice at all times from the Government's scientific advisory group, and I will seek advice from it on that point. It is looking at potential scenarios as this outbreak develops, and we keep all scenarios under consideration.

T2. [281561] **Mr. Gordon Prentice** (Pendle) (Lab): A few hours ago, I faxed to the Department a letter that I had received from my primary care trust, telling me that there was likely to be a delay in the new Colne health centre in my constituency. Everyone is dismayed by

this, as I am. What is happening to new-build projects in the NHS, given that its financial outlook is a bit pessimistic?

The Parliamentary Under-Secretary of State for Health (Ann Keen): Health care will always be a priority for this Government, and it is of course the responsibility of PCTs to plan, develop and improve local health services. I understand that the East Lancashire PCT board will consider the issue in July this year.

T5. [281564] **Mr. Stewart Jackson** (Peterborough) (Con): The Minister referred earlier to last year's "Towards better births" report, which highlighted the issue of the lack of clean bathroom facilities available on maternity units, particularly for newborn babies. Only 16 per cent. of units had one bathroom per delivery room and less than half of women said that the toilets associated with those units were "very clean". Precisely what do the Government intend to do about the results of that report?

Ann Keen: We take the issue extremely seriously wherever there is that need. I am sure that the hon. Gentleman is aware of the progress that we are making in relation to health-care-associated infections and general cleanliness overall. We need to continue to develop our work in modernising health care and facilities, eventually getting single-sex accommodation for health care across the board. In maternity, of course, that is much easier to deliver.

T4. [281563] **Barry Gardiner** (Brent, North) (Lab): Given that epidemiologists predict that swine flu might return next winter in a more virulent form, will my right hon. Friend undertake to consider the provision of isolation units around the country, particularly close to major centres where there is immigration, such as Heathrow?

Andy Burnham: It is vital that we take steps now to ensure that the NHS is able to cope with the extra demand that it will face over the coming months, and particularly over the coming winter period. Ian Dalton is leading work for the Department on this issue to ensure that the NHS is ready to cope. Obviously, the availability of isolation facilities and critical care facilities is important, but it is also important to say, for the avoidance of doubt, that for the vast majority of people this has been a mild condition from which they have been able to make a speedy recovery. In a small minority of cases—I stress that it is a small minority of cases—the symptoms have been more severe. Obviously, we will take advice from the scientific advisers as we know more about this particular disease.

T9. [281569] **Mr. Philip Hollobone** (Kettering) (Con): The Department's "Give and Let Live" organ donation programme for schools was launched almost two years ago, inspired by the work of the Jeanette Crizzle Trust, based in the Kettering constituency. As of this time, only 3 per cent. of secondary schools have got involved in the programme. Will the Secretary of State or one of his Ministers produce an action plan to put a rocket behind the programme so that children can find out how they can donate tissue, blood and bone marrow to help those who need it?

Ann Keen: We aim to see donor rates increase, so of course we will work very closely with the Department for Children, Schools and Families to achieve better outcomes, such as those noted by the hon. Gentleman.

T8. [281567] **Mr. Brian Jenkins** (Tamworth) (Lab): The Secretary of State responded to a question about the flu pandemic and the possibility of a rise in the incidence of flu in October and November. Surely he is aware that our concern will be for the small minority that he mentioned to have hospital beds in hospitals. What role does he see the local community hospital playing in providing those hospital beds? Would he or one of his Front-Bench team like to visit the community hospital in Tamworth to see whether it would be able to provide those beds?

The Minister of State, Department of Health (Mr. Mike O'Brien): I am a neighbour of the Tamworth constituency and, as my hon. Friend knows, some of my constituents use the Sir Robert Peel hospital in Tamworth. I am aware that there are some issues in relation to agreements between that hospital and adjoining hospitals, particularly Good Hope hospital, that are in play at the moment. I am happy to meet my hon. Friend to discuss that and, if he wants me to, to go gently across the constituency border and visit Peel hospital.

T6. [281565] **Mark Hunter** (Cheadle) (LD): The Minister said that he will accept in principle the recommendations of the independent review of NHS dentistry, published yesterday. However, will he make a further firm commitment to implement the detail of the proposals put forward in that review, including reform of the system of payment so that income for dentists is determined by the number of NHS patients registered and the quality of care provided rather than simply by the number of treatments?

Andy Burnham: The hon. Gentleman summarises the report very well. Obviously, it seeks to build on the system of local commissioning put in place in 2006. As he rightly says, it places much of the emphasis on oral health and its promotion rather than on activity and on measuring and encouraging it. That is the important change that the document puts forward. Rather than mandate a single contract, we will pilot the best way of achieving that change across the country. We want to ensure that we work with the profession at all times, but a survey by *Which?* last week found that nine out of 10 people who sought an NHS dentist in recent times were able to find one. That shows that there is a better success story about NHS dentistry than is usually reported to the public.

Mr. Jim McGovern (Dundee, West) (Lab): Thank you for calling me, Mr. Speaker, and may I welcome you to your new position? With your permission, I should like to return to the subject of the health and welfare of children in our communities. A report was published today into the tragic death of Brandon Muir, a toddler in Dundee. I live in that city, and what the report says about the lack of communication between the NHS, the local social work department and Tayside police is appalling. Does the Minister agree that there has to be greater co-ordination between those organisations to make sure that our children are well looked after?

Ann Keen: My hon. Friend raises the matter of that child's death, which is, of course, an issue in Scotland. However, we are working hard to raise awareness among front-line staff in health, social care and all the other sectors with relevant responsibility. We must make it very clear that we are all working together to make sure that fewer, or no, such cases happen in future.

T7. [281566] **Simon Hughes** (North Southwark and Bermondsey) (LD): Ministers may not have heard yet, but last Wednesday London's King's College hospital made the very welcome announcement that, following consultation about the future of its accident and emergency department buildings, it was going to ask the architects to redesign them so that there is

"a designated space for mental health patients' assessment and waiting."

That is a hugely welcome announcement. Will Ministers use the experience of the community in south London to make sure that all A and E departments in England have adequate facilities for receiving mental health patients and that—

Mr. Speaker: Order. May I just say to the hon. Gentleman that topical questions are supposed to be very brief and pithy? The same can be said of answers.

Mr. Mike O'Brien: Throughout the NHS, we need to ensure that we always learn best practice.

Dr. Stephen Ladyman (South Thanet) (Lab): Campaigners estimate that there is a growing shortfall—possibly as much as £200 million a year—in the money provided for people with complex needs in respect of learning difficulties. Will the question of how we are to fill that gap in the future be addressed in the forthcoming social care Green Paper? If not, when will it be addressed?

The Minister of State, Department of Health (Phil Hope): I thank my hon. Friend for that question. He has been a long-standing campaigner on these matters, and will know that our "Valuing People Now" report sets out our strategy for supporting people with learning disabilities. Indeed, we will publish a document setting out our plans for employing such people in the very near future. I can confirm that, when the care and support Green Paper is published in early July, it will set out an overall direction for high-quality and cost-effective services for people with learning disabilities, among others, to choose from. Moreover, it will show that the funding system is fair, sustainable and affordable for all.

Christopher Fraser (South-West Norfolk) (Con): In 1997, Tony Blair promised to end the scandal of people selling their homes to pay for their long-term care. Why have the Government taken so long to address that problem?

Phil Hope: Unlike the Conservatives, who have said that they will put this matter in the "too difficult to do" box, the Government will be publishing our care and support Green Paper in a few weeks. I can assure the hon. Gentleman that it will be radical, and that it will spell out what we will do in future to ensure that people get high-quality care, and that they have choice and control over that care. We will make sure that the system is fair, transparent, simple and affordable for all. Those things are matters of principle for us, but the Opposition, of course, oppose them.

Clive Efford (Eltham) (Lab): I attended the opening today of the Demelza children's hospice in my constituency. Will my hon. Friend the Minister join me in sending congratulations to everyone who brought about that development, and especially those of my constituents who have been raising funds and volunteering to make the hospice a success? Does he agree that it will make a significant contribution to the well-being of young people in south-east London in the future?

Ann Keen: Many congratulations to my hon. Friend. Working with children is very testing for all health professionals and end-of-life care in a hospice is particularly challenging, so of course we congratulate all concerned.

Tim Farron (Westmorland and Lonsdale) (LD): My constituent, Mrs. Marsh, a young woman from Kendal, suffers from a rare form of cancer—a chordoma of the spine. The treatment that could cure her is proton therapy; it is not available in this country but is available overseas. Will the Secretary of State agree to meet me, Mrs. Marsh and her consultant to look at ways in which the NHS can fund her treatment overseas?

Ann Keen: There have been meetings at the Department of Health between me and other interested parties. Proton therapy is being looked at, and we hope in the very near future to be able to make a decision as to how we take things forward. That is what we are doing.

Paul Flynn (Newport, West) (Lab): In considering the problem of skunk cannabis, will the Minister promise to disregard the hysterical, evidence-free hyperbole, an example of which we heard this afternoon, and heed instead the scientific, evidence-based advice from the Advisory Council on the Misuse of Drugs?

Gillian Merron: As I said earlier, we are looking forward to further research to establish the link between cannabis use, including skunk cannabis, and the effects on health, including mental health, and we will respond to it in the proper fashion.

European Council

3.31 pm

The Prime Minister (Mr. Gordon Brown): With permission, Mr Speaker, I would like to make a statement on the European Council held in Brussels last Thursday and Friday, which I attended with the Foreign Secretary, and which focused on the intensive economic co-operation needed within Europe and across the world as we follow through the agreements made at the G20 summit and ensure the co-operation needed in economic and environmental policies.

The Council expressed its determination to continue playing a leading role at global level. It called on its international partners to implement fully the commitments made at the London G20 summit, in particular by providing additional resources to international financial institutions and accelerating the reform of the financial and regulatory framework.

Member states have already stated their readiness to provide fast temporary support of up to a total of €75 billion to encourage growth and jobs. The Council also concluded that member states stand ready to take their share of further financing needs agreed by the London summit.

For many months, the UK Government have rightly been at the forefront of proposals to strengthen international regulation. That is why we have taken forward Lord Turner's report. Radical proposals for reform of regulation were also a key outcome of the G20 in London. With so much of Britain's financial sector activities linked to Europe as well as to the rest of the world, and with cross-border investments between the UK and the rest of Europe alone amounting to more than £200 billion every year, Britain needs greater European as well as wider international cross-border supervision. So in line with the recommendations of the reports from Lord Turner and de Larosière, the Council agreed the principles on which a new international framework for the regulation and supervision of financial services in Europe would be delivered.

First, there will be better early warning of financial sector risks through the creation of a new European systemic risk board, which will complement the work of the International Monetary Fund and the Financial Stability Board, and will help to identify problems early and thus prevent future financial crises from developing. Secondly, as proposed by Lord Turner's review, which was itself welcomed by most people in the House, there was agreement to develop a strengthened and more detailed set of European rules for the single market in financial services, with measures to raise the quality and consistency of supervision across Europe, ensure that common rules are enforced, and improve co-ordination between national supervisors; and measures for mediation between the supervisors of institutions with operations in more than one member state. Thirdly, there was a clear commitment from the Council that

"stresses that decisions taken by the European Supervisory Authorities should not impinge in any way on the fiscal responsibilities of Member States."

The principles agreed at the Council provide the foundation for a new financial supervisory architecture with the aim of protecting our financial system from future risks and helping to ensure that the international regulatory failures of the past will not be repeated. The G20 also decided that countries should take similar actions on economic policies, to get through what is recognised by the Leader of the Opposition as a "recession all over Europe".

While the Council acknowledged that the co-ordinated measures taken so far in support of the banking sector and the wider real economy

"have been successful in preventing financial meltdown and in beginning to restore the prospects for real growth,"

it also emphasised the

"imperative...to continue to develop...the measures required to respond to the crisis."

While it is absolutely right that we maintain our commitment to medium-term fiscal sustainability, it is equally vital, as the Council reiterated, that we remain determined to

"do what is necessary to restore jobs and growth."

Recognising the worldwide nature of the financial crisis and that about 1 billion people face poverty, malnutrition or hunger, the European Council also decided that countries should continue to pursue together the millennium development goals, and also co-operate further on the environment.

The Council agreed that

"the time has now come for the international community to make the necessary commitments needed to limit global warming to under 2 degrees",

and that a coherent response to the challenges of both climate change and the economic and financial crisis would, by enabling the move to a low-carbon economy, offer new opportunities for jobs and growth.

The Council repeated its call for all parties to co-operate in reaching an ambitious agreement in Copenhagen later this year, and to accelerate the pace of negotiations at forthcoming high-level international meetings, including the G8 and the Major Economies Forum next month. The Council agreed that both developed and developing countries should contribute finance in the fight against climate change, and that such global burden sharing should be done strictly on the basis of two principles: the ability to pay and the scale of emissions.

When the Council met in December, we agreed that we would seek to provide the legal assurances that Ireland needed to move forward on the Lisbon treaty—that is, on taxation, defence, the right to life, education and the family. But we were equally clear in doing so that there could be no change or amendment to the treaty, only clarification of what it will and will not do. That is exactly the purpose of the guarantees that the Council has agreed for Ireland. To be absolutely clear,

"the Heads of State or Government have declared:

the Protocol will in no way alter the relationship between the EU and its Member States. The sole purpose of the Protocol will be to give full Treaty status to the clarifications set out in the Decision to meet the concerns of the Irish people. The Protocol will clarify but not change either the content or the application of the Treaty of Lisbon",

and that

"its content is fully compatible with the Treaty of Lisbon and will not necessitate any re-ratification of that Treaty".

These guarantees will be set out in a protocol only at the time of the next accession treaty. This will be specific to Irish concerns. Its status will be the different from our own protocols and will be subject to ratification in this House.

On Burma, the Council marked the 64th birthday of Aung San Suu Kyi by expressing its deep concern at her continued imprisonment as the Burmese regime still pursues its contemptible and absurd sham trial. The Council called for her "immediate unconditional release" and agreed that if this does not happen, Europe

"will respond with additional targeted measures"

against the Burmese regime. It is absolutely right that we stand ready to step up sanctions. We will also work with Asia to further increase international pressure. I have talked to the Secretary-General of the United Nations, Ban Ki-moon, and I hope he will be able to visit Burma soon.

On Iran, the Council

"stressed that the outcome of the Iranian elections should reflect the aspirations and choices of the people of Iran."

The onus is on Iran to show the Iranian people that recent elections have been credible, and that the repression and curtailment of democratic rights that we have seen in the past few days will cease.

We, too, have an expectation of Iran—that it meets its obligations as a member of the international community. I hope that Iran will respond to our efforts to achieve a genuine dialogue. It is therefore with regret that I should inform the House that Iran yesterday took the unjustified step of expelling two British diplomats over allegations that are absolutely without foundation. In response to that action, we informed the Iranian ambassador earlier today that we would expel two Iranian diplomats from their embassy in London. I am disappointed that Iran has placed us in this position, but we will continue to seek good relations with Iran and to call for the regime to respect the human rights and democratic freedoms of the Iranian people.

The Council unanimously agreed that it intends to nominate José Manuel Barroso to lead the next European Commission. As we look forward to the next five years, so this Council has put in place some of the building blocks for the future of Europe. It is by co-operating on the basis of our interdependence that we achieve more. By engaging and working in partnership with Europe and globally, we take forward our commitments from the G20 in April. By putting Britain at the heart of Europe, not on the sidelines, with Europe's single market worth over £10 trillion, we in Britain can responsibly deliver security, new jobs, prosperity and a strong future for all our people. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): I thank the Prime Minister for his statement. There are some areas of agreement: we very much welcome what he says about climate change and December's vital Copenhagen conference; we also agree with what he said about Burma; and we very much agree about the future of José Manuel Barroso. Let me put it like this: it is important that we work together to keep the socialists out, and I am always pleased to do that.

On Iran, while the decision on how the Iranian people are governed must be a matter for them, is it not important to reiterate that their yearning for freedom and democracy reflects a yearning for universal values that we should support? Iran's expulsion of diplomats is clearly not acceptable, and the British Government were absolutely right to respond. Should not we be clear that this is a dispute not between Britain and Iran, but among different groups in Iran about democracy and the future of their country?

On the economy, the Prime Minister says that measures are being taken throughout Europe to get the economy going again, but will he confirm that seven months after we proposed a proper national loan guarantee scheme to get lending flowing—

The Minister of State, Department of Health (Phil Hope): For goodness' sake.

Mr. Cameron: He says "for goodness' sake", but it would have made a good lot of difference. If he concentrated on the figures instead of shouting from a sedentary position, he would know that the latest figures on Britain show the weakest lending to business for almost a decade.

The Prime Minister also says that measures are being taken to tackle unemployment. Will he confirm that Britain now has the highest youth unemployment in Europe?

The Prime Minister talked about agreement across Europe. In that case, does he agree with the Prime Minister of Sweden, who said this month,

"let's be honest: if the crisis we face today was created by people borrowing too much, the solution cannot be for governments to act in the same way"?

Can the Prime Minister tell us why Britain is heading for the biggest budget deficit in the G20? Have we not now reached the stage at which the best way to restore confidence and get our economy back on track is to be honest about the measures that are needed to sort out the mess that the Prime Minister has made of the public finances? When is he going to make a start on that?

Next, on financial regulation, we have long pressed for counter-cyclical capital requirements that force banks to hold more capital when the economy is strong, but does the Prime Minister agree that there seems to be—I put it politely—some confusion about precisely what was agreed about financial regulation? Of course, we agree about the early warnings that he mentioned, but he is missing the key question. Before the summit, the Government argued—quite rightly, in our view—that national supervision must be pre-eminent. Does he recall telling the House in March that he did not want any new body to have "powers over national supervisors"? If so, why does the communiqué say that the decision-making powers of the European system of financial supervisors will be "binding"? And why did President Sarkozy say that the UK had performed a U-turn and that such institutions always end up doing more than is foreseen? Is that not why the City of London says that we now have a situation in which binding arbitration, dictated by Brussels, could overrule the UK's Financial Services Authority? Will the Prime Minister answer that point when he gets to his feet?

Next, on Lisbon, will the Prime Minister tell us why Irish voters are being forced to give their views twice when the British people have not been asked for their views once? Will he explain why the protocols that go into the treaty will not be debated or put into place until the next countries join the EU? Is it not the case that the Government want to delay the process until after the election? Is that not because they do not want the

[Mr. Cameron]

embarrassment of having to vote yet again in this place to deny people the referendum that they originally promised?

The Prime Minister said very clearly in his statement—I hope that I was following it carefully—that the Irish guarantees make no change at all to the Lisbon treaty. I am sure that the Irish people will receive that statement with great interest. Perhaps the Prime Minister should go and campaign for a yes vote; it would probably be the best way of securing the result that many of us would like to see.

Less than a fortnight ago, the Prime Minister promised a new era of openness and democratic accountability, yet in the last week he has tried to sneak through a secret inquiry into Iraq, deny the British people a say on the European constitution and avoid a debate in Parliament on the new protocols that have been agreed in Brussels. If he really believes in openness and accountability, should he not start by holding a debate now on the protocols agreed in Brussels and by offering people the referendum on the constitution that he promised, and while he is at it, why not do a proper U-turn on the Iraq inquiry—right here, right now?

The Prime Minister: I am sorry to have to start by saying one thing: 3 million jobs are dependent on Europe, 60 per cent. of our exports go to Europe and 700,000 companies trade with Europe, yet not one pro-European word has been stated by the Leader of the Opposition.

I agree with what the right hon. Gentleman has said on climate change; we both look forward to a Copenhagen agreement. I am glad that he also supports what we are saying on Burma. On the Iranian situation, we are both in agreement that we have to take action when our diplomats are expelled from Iran. But we do want good relations with the Iranian people, and we do want to remind Iran of the importance of human rights and respecting democracy.

As to the issues that the right hon. Gentleman raised about the European Council decisions on financial regulation, let me just say that a few months ago the Conservative party was telling us that we should be deregulating more. What we have had to do is work with other countries to build a regulatory system that can deal with the problem that exists when international institutions—banks and financial institutions—work in other countries.

Let me just tell the right hon. Gentleman that London depends on proper cross-border supervision. Four hundred European institutions operate in London, and we need a good regulatory system, in other countries as well as in our own, for financial supervision and the financial sector to work. He should be supporting the efforts that we are making to bring Europe and the rest of the world together to agree a common financial supervisory system.

I have to repeat to the right hon. Gentleman that what we agreed in Brussels was that there be shared and common rules; I believe that, the whole world over, we will get agreement on shared rules. We agreed that there be a system of proper audit; that means that what is happening in individual countries will have to be properly audited in future. We agreed a system of common supervision of financial institutions, but only in this sense: that each country's individual financial services authority will be responsible for the individual institutions. Only when there is a dispute between the home and the host countries, or a dispute about the application of the general rulebook, will mediation take place within the European agency. That is the right way forward, because London is likely to benefit more from that, not less. The right hon. Gentleman should cast aside his habitual anti-Europeanism and support what is necessary in the interests of the financial services.

Let me also say to the right hon. Gentleman that I read out to the House exactly the undertakings that had been given by Ireland and given also as a decision of the European Council. They are very clear:

"the Protocol will in no way alter the relationship between the EU and its Member States. The sole purpose of the Protocol will be to give full Treaty status to the clarifications set out in the Decision to meet the concerns of the Irish people. The Protocol will clarify but not change either the content or the application of the Treaty of Lisbon."

That is the right thing to do. The Irish were looking for clarifications about the impact of the treaty. They have received their clarifications, and that will be set out in a protocol. It will come to all Houses of Parliament and Assemblies in other countries when they have to confirm the next accession treaty. That is the right thing to do.

Instead of saying that somehow we have got it wrong, the right hon. Gentleman should know that we have done what is necessary, so that the Irish people are sure about the application of the treaty—in the same way as we got a protocol in Britain to ensure that the British people knew what the application of the treaty was. I repeat: more than a year ago, the constitutional concept was abandoned. That was the statement of the Brussels European Council.

The Leader of the Opposition failed to tell us about his party's having joined a new European grouping only yesterday. It makes his party even more isolated and on the fringes of Europe. *[Interruption.]*

Mr. Speaker: Order. The Prime Minister must be heard—preferably in courteous silence.

The Prime Minister: I know why Conservative Members do not want me to say this. While we are engaging in co-operation with the rest of Europe, the Leader of the Opposition is isolated and on the fringes, unable to support the level of economic intervention that we need. While we are taking action with other European countries against unemployment, his party opposes the action against unemployment that we are taking in Britain. He is isolated and on the fringes. We are working with other countries in Europe, but he cannot work with Germany, France or Italy, even when they have right-wing Governments. The Conservatives are isolated and on the fringes of the European Union.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I thank the Prime Minister for his statement, and I agree with what he said in light of the expulsion of the British diplomats from Iran. While we should of course monitor what is unfolding in Iran with due sensitivity, we should be utterly uncompromising in our view that hardliners in Iran should not seek to scapegoat either British diplomats or the media for problems entirely of their own making.

I welcome the Prime Minister's saying that the Irish have received the reassurances that they sought on the impact of the Lisbon treaty. Does he agree that if the Lisbon treaty is finally ratified this autumn, Europe should then get on with tackling the problems that really matter to people—climate change, the economy and crime—and that any attempts by any future UK Government to reopen the terms of membership would be self-indulgent and self-defeating?

The summit was particularly important for setting out the framework for a European Union response to any future banking crisis, and I welcome the agreement. But does the Prime Minister not see—I have raised this with him before—that however strong the EU regulatory framework is in that area, unless the Government here act to disentangle the banking system, separating high-risk casino investment banking from the day-to-day business of high street savings and mortgages, our economy will continue to be vulnerable to a repeat of the banking crisis?

With recent reports suggesting that the impact of climate change may be even worse than we had feared, does the Prime Minister agree that the EU must be in the vanguard for an ambitious and comprehensive deal at the Copenhagen summit in December? Is he concerned, as I am, that the recent summit was light on detail on the crucial question of how much EU states will pay to assist adaptation to climate change in developing countries? It is those countries that will bear the brunt of the dangerous effects of climate change.

I am glad that the summit conclusions referred to the need for the EU to tackle cross-border crime, which I do not think the Prime Minister mentioned. Does he agree that it is essential that this country and our Government play their full role in measures such as the European arrest warrant and co-operation through Europol and Eurojust? Does he agree that rejecting those measures would be a betrayal of the British people, putting Eurosceptic dogma over the safety of British communities?

Finally, the summit text included declarations on Pakistan and Afghanistan. It is vital that there is adequate security in Afghanistan for the elections in August, and that Britain continues to play its role in Helmand province. In that context, will the Prime Minister confirm recent reports that he rejected the advice of his military commanders that there should be an increase in British troop numbers in Afghanistan? Can he not see that it would be the worst of all worlds to ask our troops to do their very difficult job in Afghanistan without committing enough resources for them to do that job properly?

The Prime Minister: I am grateful to the right hon. Gentleman for his remarks in support of the decisions of the European Council. I shall start where he ended, on Afghanistan. Let me make it absolutely clear that the number of troops in Afghanistan, as a result of decisions we made a few months ago, has risen over the course of this year from 8,100 to 9,000. That will be the case until after the Afghanistan elections take place over the summer and autumn months. There has been an increase, not a decrease, in the number of troops that we have set aside for the vital purpose of defending democracy in Afghanistan. I know the sacrifices that our British forces have made and the difficult terrain in which they operate, and I think the whole House will want to give them support in the magnificent efforts in which they are engaged to keep the peace in Afghanistan, bring stability to the region and ensure that democratic elections take place.

The right hon. Gentleman mentioned law and order, and I want to remind him of one justice and home affairs issue. As part of the Lisbon treaty negotiation, we secured an extension of our existing opt-in to asylum and migration measures, but we remain ready to co-operate on issues to deal with crime, so that we can deal particularly with the problem of organised crime across Europe.

We are in agreement on the importance of climate change, and indeed of the new evidence that is now available to us about the seriousness of the problem. The challenge for us is to get an agreement internationally on two big issues, and hopefully we can make progress even before Copenhagen. The first is to get intermediate targets so that countries are bound not simply to long-term targets but to intermediate ones—2020, 2025 and so on. I believe that we are making progress, but a number of countries have still to make their announcements on what they are prepared to do. The second thing is financing and the energy efficiency measures that have to be taken in developing countries, which do not have the money to move from, say, coal or other relatively cheaper sources to the energy-efficient investment that we are asking them to make. The world will have to make available the necessary resources, which is part of the discussion that we must have in the run-up to Copenhagen.

I agree with what the right hon. Gentleman says about the importance of financial services to our economy, but as I said to him last week, I do not think that he can assume that high street or ordinary retail banks and investment banks are not both sources of the problems that we have had, because high street banks had problems and investment banks had problems. His determination to separate the two is perhaps not the best way to move forward. In both cases, what we need is proper supervision, but we need it now, at a cross-border and international level. That is the purpose of the European measures that we have brought forward. I know that he wants to support greater co-operation in Europe, and this is one way in which British banks and British financial institutions can benefit from greater European co-operation.

Mike Gapes (Ilford, South) (Lab/Co-op): The Prime Minister referred, in the context of the welcome agreement with Ireland, to the prospects for a future accession treaty. Can he say whether there was any discussion, either in the meetings or in the margins of the meetings, about the application by the new Social Democratic Government in Iceland for accelerated membership of the EU or about the difficulties between Croatia and Slovenia, which could block future enlargement in the Balkans?

The Prime Minister: I am grateful to my hon. Friend, who is an expert on both those areas of the world. Croatia was a subject of discussion. We hope that the differences between the two countries will come to be resolved, so that Croatia can accede to membership of the European Union. We know that Iceland is seeking to apply for membership of the European Union, but that was not discussed at the meeting.

Several hon. Members *rose*—

Mr. Speaker: Order. A very large number of Members are seeking to catch my eye. I am keen to ensure that as many as possible can participate, so I appeal to Members to ask one brief supplementary question.

Mr. John Redwood (Wokingham) (Con): Over what time period does the Council think that quantitative easing and excessive budget deficits should be brought under control?

The Prime Minister: The Council said that we have got to do what it takes to restore jobs and growth in the economy. Given that the problem that we have is not one of inflation or excessively high interest rates, it is right to take the fiscal action that is necessary. I do not think that any serious governing party in Europe agrees with the position taken by Opposition Members, which is that we should cut public expenditure at this time.

Tony Lloyd (Manchester, Central) (Lab): Given that the Prime Minister has outlined his view that European co-operation is fundamental, whether on building and maintaining jobs in this country, combating climate change or helping the developing world, can he tell me whether he really believes that retreating into Euroscepticism would be anything other than not only self-defeating self-indulgence, but massively damaging for Britain and the world?

The Prime Minister: I think it is damaging for our country that the main Opposition party cannot ally with the German Christian Democrats, the French party on the right or the Italian party on the right. The Opposition are out of touch and out of step. They are not in line with some of the major centre-right, Christian democrat or other right-wing parties in Europe, and I think that does Britain no good at all.

Sir Peter Tapsell (Louth and Horncastle) (Con): Before we can judge whether President Sarkozy was right in claiming that the Prime Minister had changed gears on European financial regulation, ought we not to resolve the problem, which emerged clearly at the Mansion House, of the disagreement between the Chancellor of the Exchequer and the Governor of the Bank of England about the necessary changes to our regulatory system, in order to replace the disastrous one that the Prime Minister introduced in 1997?

The Prime Minister: We have a tripartite system, where the Bank of England, the Treasury and the Financial Services Authority work together. *[Interruption.]* The Leader of the Opposition mentions the Fed. It is exactly a tripartite system that is being proposed in America as well, and it is right to have a financial services authority, a central bank and the Treasury of every country working together.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Can the Prime Minister confirm that the people of Ireland are to be asked to vote on exactly and precisely the same wording of a treaty that they previously rejected?

The Prime Minister: The Irish brought forward concerns about abortion, family law, taxation and neutrality. In the protocol, it is made clear what the treaty means in those areas. The protocol that they are to receive is exactly similar to the protocol that we have received.

Angus Robertson (Moray) (SNP): The Prime Minister is quite right to highlight the view of the Irish Government and people that they wanted safeguards relating to their ability to set their own taxes and to make their own defence commitments and other policies. Does he agree that their having won guarantees on those issues at the EU summit is proof of a small country exercising significant diplomatic clout at the top table of the European Union?

The Prime Minister: The hon. Gentleman used to talk about an arc of security—[HON. MEMBERS: "Prosperity."]—an arc of prosperity that included Iceland, Scotland and Ireland. He must understand that the economic problems in Iceland and Ireland and the economic problems of the banks in Scotland were very big indeed.

Keith Vaz (Leicester, East) (Lab): The presidency's conclusions call for strong action against criminal networks involved in human trafficking. On 20 May, the Prime Minister gave a commitment that the budget of the Metropolitan police trafficking unit would be increased. Is that going to happen soon?

The Prime Minister: I think that my right hon. Friend will find that there are very large resources going into this issue, but I will write to him with the details.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Why does the Prime Minister think that handing over the regulation of the City of London to countries that either have no experience of regulating large financial sectors or have been so conspicuously unsuccessful that none has a financial system even a quarter the size of our own will be beneficial to London?

The Prime Minister: Because we are in a global economy and we need to work with other countries to secure the prosperity of our country. As 400 financial institutions from the rest of Europe are based in London, it is in our interest that there is co-operation with other regulatory authorities in Europe. I hope that the right hon. Gentleman does not fall for the argument that Britain is somehow better off isolated from the rest of Europe. We are better off co-operating with Europe.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does the Prime Minister consider that current developments in Iran have any implications for Iran's policy of destroying the state of Israel?

The Prime Minister: We remain concerned about events in Iran and their implications for the rest of the world, but the most important question in Iran at the moment is that the views of the Iranian people as shown in an election should be properly fulfilled. The debate in Iran at the moment shows that people want greater transparency in the publication of the election results, so that it can be clear that the results reflect the will of the Iranian people.

Sir John Stanley (Tonbridge and Malling) (Con): With regard to Iran, does the Prime Minister agree that, coming from the present Iranian regime, Britain's having been dubbed the embodiment of evil is actually a considerable compliment? Does this not reflect the

admirably steadfast service provided by the British ambassador in Tehran and all his staff, including the two diplomats who have just been unjustifiably expelled? Does it not also reflect the admirable decision by the BBC to establish the Persian language service, and also the professional contribution that has been made by British journalists overseas in Iran over a considerable period—

Mr. Speaker: Order. I think that the Prime Minister has got the gist of the question.

The Prime Minister: I am grateful for that question, because it allows me to put on record my tribute and my thanks to the ambassador and all his staff in Tehran, and to all those who are working for the United Kingdom Government. I also want to put on record our appreciation of the work that is being done in pursuing the freedom of the press by the BBC and other journalists. I believe that the reporting by the BBC is important now to the people of Iran.

Kelvin Hopkins (Luton, North) (Lab): My right hon. Friend rightly refers to unemployment as a great danger, and it is indeed rising unemployment that poses the greatest threat with regard to prolonging and even intensifying the recession. Was there any discussion about what member states can do to intervene in their economies to create jobs directly and to avoid this mass rise in unemployment?

The Prime Minister: The summit said that we would do what is necessary to restore growth and jobs, and that is the message that other countries in Europe have heeded from the recession. As there is not a problem with inflation or with high interest rates, it is right to take fiscal action to intervene to help move growth forward and, at the same time, to create employment. We have ourselves taken measures to create 150,000 extra jobs. I believe that without the action that we have taken to combat the recession, 500,000 more jobs would be lost. I believe that other countries recognise that it is necessary to intervene to deal with the problems created by the recession, and that we cannot adopt a do nothing approach and walk away.

Mr. William Cash (Stone) (Con): Will the Prime Minister understand, contrary to what he has just stated, that the Irish arrangements amend the Lisbon treaty and fundamentally and greatly extend the Irish treaty protocol of 1992 so that these arrangements affect all member states and therefore require re-ratification now and must be enacted by a Bill in this Parliament, in Ireland and in all the member states?

The Prime Minister: I know that, whatever was decided at the European Council, the hon. Gentleman would be calling for exactly that. Let me just read to him what was said:

"The protocol will in no way alter the relationship between the EU and its Member States".

[Interruption.] That was stated by the Council, including the Irish. The sole purpose of the protocol will be to give full treaty status to the clarification set out in the decision to meet the concerns of the Irish—

Mr. Cash: You're just parroting!

Mr. Speaker: Order. The hon. Gentleman has asked his question, and he must listen respectfully and silently to the answer.

The Prime Minister: I would simply ask the hon. Gentleman to read the decisions of the European Council.

Mr. Andy Reed (Loughborough) (Lab/Co-op): The Council was right to commit itself again to reaching the millennium development goals. However, non-governmental organisations have recently highlighted that previous promises made by the Council and the G8 have largely not been met by other European countries, although a green light was given to the UK's performance. What commitments were given and what future remains for the poorest people and the rest of the planet when so many previous promises have been lost?

The Prime Minister: My hon. Friend is absolutely right that the European Council, the G8 and then the G20 will have to continue to focus on how we achieve the millennium development goals. There are 40 million more children at school than in 2000, so progress is being made in a number of areas, including infant mortality as well as education, but there is a long way to go. That is why when we come to the G8 in a few weeks' time, I will press for further action on famine and malnutrition, which has tragically risen over the last year, as well as continuation of the necessary action to meet the millennium development goals on infant and maternal mortality and education, as well as on the whole issue of poverty.

Mr. Paul Keetch (Hereford) (LD): Given that the Zimbabwean Prime Minister, Morgan Tsvangirai, has been in Europe, including London, over the last few days, was Zimbabwe discussed at the European Council? Given the fact that we and other European countries are rightly increasing the amount of aid given to the country, should we not expect at the very least that all European broadcasters, including the BBC, should be able to broadcast freely from Zimbabwe?

The Prime Minister: I met Morgan Tsvangirai on Monday and I raised with him precisely that question about access for the BBC and other broadcasters in Zimbabwe. A media commission has been set up to register people who wish to broadcast from within Zimbabwe, and Mr. Tsvangirai assures me that action is being taken on that. We will have to follow it up, but that was the intention he stated to me.

As to the general issue of Zimbabwe, we have provided additional aid on a humanitarian basis to people who are suffering in Zimbabwe, but we must be sure that the promised reforms, constitutional changes and end of repression are actually happening before we can enter into long-term agreements about the reconstruction of the country.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): May I welcome the announced creation of a single market in financial services and the improved co-ordination of supervision, recognising the potential that it offers to the City? In the event of tension between national and European supervision, will my right hon. Friend explain how he feels the mediation service will be sensitive to the specific needs of the British financial services industry?

The Prime Minister: I believe that the mediation service is in the interests of London, where 400 institutions from the rest of Europe are operating, as I said. We need the co-operation of other regulators to make sure that things are in order. Mediation can therefore take place in only two specific areas: first, to ensure that the rules—that is, the rulebook—are being observed; and, secondly, if there is a dispute between home and host country. In both cases, I believe that that mediation will be in the long-term interests of Britain.

Mr. Bernard Jenkin (North Essex) (Con): Will the protocol in question be justiciable by the European Court of Justice?

The Prime Minister: In the same way that our protocol is.

Martin Linton (Battersea) (Lab): In looking forward to Sweden's presidency, with its emphasis on climate change and the economy, will the Prime Minister tell the House how much easier it will be to bring Europe out of what we all recognise as a Europe-wide recession by engaging with mainstream European leaders such as Chancellor Merkel and President Sarkozy rather than by throwing away our influence by joining up with the fruitcake fringe of climate change deniers, Obama-haters and commemorators of the Waffen SS?

The Prime Minister: It is in British interests that our parties work with Chancellor Merkel, President Sarkozy, Prime Minister Berlusconi and other leaders in Europe. It is sad that the Conservative party has rejected that centre-right grouping in favour of another grouping that contains a number of people with whose views I certainly could not agree and most people in this House would find it difficult to agree.

Mr. Michael Fallon (Sevenoaks) (Con): Beyond the need for more co-operation and closer financial surveillance, has not the Prime Minister now conceded that the mediation proposed on cross-border supervision will in fact now be binding on our national regulator?

The Prime Minister: No, Mr. Speaker. Only in two instances is the mediation binding and these two instances are in the interests of Britain. The first is if there is a dispute between home and host country. I can think of many instances where the possibility of such mediation would be in the interests of our country. The second is in the application of the rules. If we have common rules—we want common rules not just in Europe, but around the world—it makes sense to show that these rules are being observed.

Dr. Gavin Strang (Edinburgh, East) (Lab): On jobs and the leadership that the Prime Minister has provided, not least at the G20 summit, to help us get through this international recession, are there now grounds for cautious optimism that the Government's measures have in fact saved the British banking system? Is it not worth noting in passing that as far as lending for investment is concerned, a number of British companies are having successful rights issues for this purpose?

The Prime Minister: I am grateful to my right hon. Friend for raising these issues. It is fair to say that we have gone further than other countries in the agreements that we have signed with the major banks in our country. The major banks have agreed to £70 billion of extra lending over the next year from 1 March and another £70 billion in the year after that. That additional money will become available to small businesses as well as large businesses and mortgage holders in this country. We have taken action not only to recapitalise the banks, but to make sure that the banks are in a position to lend to business and have agreed to do so. That is the difference between what was happening a few months ago and what is happening now.

On jobs, I repeat that the best estimate is that without the action that we have taken, 500,000 more jobs would have been lost. Any unemployment is to be regretted but surely it is our responsibility in a time of recession to do our best by helping unemployed people to get back to work. That demands the expenditure of money and that is the choice between ourselves and the Opposition; we are prepared to invest the money to help people back to work.

Mr. James Clappison (Hertsmere) (Con): The Prime Minister has said that the guarantees to the Irish people will be given effect in protocols but these, apparently, are to be added to a completely different treaty as and when further countries accede to the European Union at some uncertain time in the future. In the meantime, do the guarantees have legal effect and if so, how?

The Prime Minister: They will be deposited, in the way that often happens, at the United Nations, and will have legal effect from the time the Lisbon treaty is in force.

Clive Efford (Eltham) (Lab): Do not the people of this country have every right to expect that the Government place themselves in a position where they can maximise their influence on issues such as regulation of the financial services market, creating jobs and stimulating the economy, rather than marching themselves off to the fringes of the debate in Europe with some flaky right-wing group? Should not the Government be in the vanguard of discussions and make sure that they address issues of concern to all my constituents?

The Prime Minister: I know that some parties are happy to be in concert with the Polish Law and Justice party, the Czech forum, the Motherland party—*[Interruption.]* The Leader of the Opposition is saying that we are meeting the President of Poland; that is absolutely right, but we are not going into a grouping that takes extreme right-wing—*[Interruption.]*

Mr. Speaker: Order. Mr. Kawczynski, I am keen to call you but if you keep yelling from a sedentary position, it does not advance your chances.

The Prime Minister: We are not going into a grouping with extreme right-wing groups who have views that not many people in this House would ever support.

Mr. Andrew Mackay (Bracknell) (Con): In the light of the clear statements of informed observers that the presidential election result in Iran was hopelessly flawed, was not the Prime Minister somewhat embarrassed by the lukewarm statement from the European Council, and did he try to amend it?

The Prime Minister: No. The outcome of the elections in Iran is a matter for the Iranian people. We wish to ensure that the democratic rights of the Iranian people are upheld. We do not wish to have a quarrel with Iran. We wish to work with it on international matters that require the attention of both of us, but, of course, we cannot stand by when there is repression, and when there is violence and intimidation against the people of Iran.

Barry Gardiner (Brent, North) (Lab): Interim targets on climate change suggest that by 2020 there must be a reduction of 17 gigatonnes from business as usual. Given that only 5 gigatonnes are achievable within the developed world, at a cost of less than €60 per tonne, what assessment has the Prime Minister made of the amount of funds that will need to be made in offsets to achieve the required reduction?

The Prime Minister: This is a matter that the whole world will have to look at in the run-up to Copenhagen. We are going to need to provide finance in the same way that we provide overseas development aid, to ensure that the poorest countries are able to invest in energy efficiency. The first thing to do is to recognise the importance of climate change, the second thing to do is to get the intermediate targets, and the third thing to do is to get the finance that is necessary. I look forward to working with other countries, including America now, to get that climate change agreement.

Mr. David Heathcoat-Amory (Wells) (Con): Is the Prime Minister aware that very recently the Treasury Minister Lord Myners gave evidence to the European Scrutiny Committee in which he gave an unqualified assurance that the Government were strongly against giving EU financial authorities powers over national regulators? Why then do the conclusions to the summit agree to give the European system binding decision-making powers over national regulators in several important respects? Why do Ministers give an assurance to this House in one respect and then break that word a few weeks later?

The Prime Minister: But the principle that the right hon. Gentleman does not support is that we should co-operate and work with other authorities in Europe to deal with financial sector problems. If we are to co-operate with other authorities—and 400 other European institutions are based in London—it is in our interests that there is a mediation system to deal with disputes between the home country and the host country, and that is why it is in the British national interest to have that agreement. Equally, it is in our national interest to see the rules that are agreed being observed. These are the only two instances in which we have agreed to have mediation, but it is the right thing to do for Britain.

Andrew Miller (Ellesmere Port and Neston) (Lab): When my right hon. Friend was Chancellor, he will remember his Hungarian counterpart Bokros and the Bokros austerity measures. Now that he is a member of the MDF—the Hungarian Democratic Forum—and part of the Conservative grouping in the European Union, will this not make for a collision between the Council and the Conservative grouping in the European Parliament?

The Prime Minister: This new grouping in the European Parliament is, I believe, an embarrassment to all of us, but I have to say that even the Polish Law and Justice party supports a cut in VAT and is against a cut in spending. Even within their own new grouping, the Conservatives do not have a majority.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Does the Prime Minister not realise the extraordinary damage that his undiplomatic language is causing to Anglo-Polish relations? His comments on the Law and Justice party are an absolute disgrace and an affront to the Polish people who voted for that party and the President. Will he apologise to the Polish President and the Polish people, and categorically state that the Law and Justice party is not a fringe party?

The Prime Minister: I think the hon. Gentleman is getting too embarrassed by this new political grouping. I pointed out that the Polish Law and Justice party supports the cut in VAT and is against cuts in spending. I have praised it for those two policies; unfortunately, the Opposition party cannot accept those policies.

Dr. Stephen Ladyman (South Thanet) (Lab): The poisonous influence of Iran continues to be spread around the middle east even as its Government oppress their own people and press ahead with plans to build nuclear weapons. What firm plans does the EU have to escalate the pressure on the Iranian Government to make sure they never get hold of nuclear weapons?

The Prime Minister: Iran has a choice: it can either become a full member of the international community by respecting human rights and its international obligations, or it will become increasingly isolated from the international community. I think that everybody in this House knows that that is the choice the Iranian Administration and the Iranian people have to make.

Mr. Peter Bone (Wellingborough) (Con): The House of Commons Library confirms that last year, the UK's contribution to the European Union was £3 billion. Next year, it is going to be £6.5 billion. At a time when the Prime Minister's Government are having to cut public expenditure in real terms, why is our contribution to the European Union more than doubling?

The Prime Minister: It is to pay our share as part of a European Union that includes the Czech Republic, Poland, Latvia and many of the other countries with which the Conservative party wants to be associated. I believe that it is right that we share the burden of membership of the European Union, so that every part of the European Union can look forward to prosperity.

Mr. Christopher Chope (Christchurch) (Con): Will this House have the opportunity to debate and vote on the protocol before the next Irish referendum?

The Prime Minister: The protocol will come before the House at the time of the next accession treaty. That is what was decided at the European Council and that is what I recommend to the House.

Mr. Crispin Blunt (Reigate) (Con): Who make the better allies for Britain—veterans of the Polish Solidarity movement, or veterans of Poland's authoritarian communist Government?

The Prime Minister: If the hon. Gentleman wants to look at the new membership of the right-wing grouping that the Conservative party is now part of, I think he will be increasingly embarrassed by some of the views that are put forward by members of that grouping. They have rejected the mainstream in Europe as a Conservative party and are now isolated on the fringes of Europe and out of touch with European opinion.

Parliamentary Standards

4.21 pm

The Leader of the House of Commons (Ms Harriet Harman): With permission, Mr. Speaker, I wish to update the House on the issue of parliamentary standards, but first I would like to offer you congratulations on your election yesterday. I look forward to working with you on issues of concern to members of the public and Members of this House.

The public want to have full confidence in the parliamentary system. Members want there to be full confidence in the system, so that the cloud of suspicion is lifted and the reputation of the House can be restored. Like you, Mr. Speaker, I strongly believe that the overwhelming majority of Members of Parliament are decent people who work hard to serve the public interest, not to serve their own self-interest, but that is not the impression the public have, and so we are taking action.

It is the actions that are under way that I want to set out to the House today. They are the changes to our allowances that we have already made; the publication last week of our last four years' allowances; the publication of our 2008-09 allowances; a revised code of conduct for Members, updated by the Standards and Privileges Committee and published today; the introduction later this afternoon of the Parliamentary Standards Bill; the proposal, to be debated this Thursday, for a new Committee of the House, chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright), to strengthen the role of Parliament; a new registration system, starting on 1 July, for full transparency on Members' second jobs; the work of Sir Thomas Legg, who is leading a team to establish what might need to be paid back from claims over the last four years; the work of the Committee on Standards in Public Life to propose a new allowance system; and then, the new independent parliamentary standards authority, which is starting work and taking over the whole of our allowances system and running it.

First, changes have already been made to our allowances system. Since 19 May this year, and arising out of the meeting between the then Speaker and the party leaders, there can now be no claiming for furniture and no changing the designation of a main home. There is a cap on monthly rent or mortgage payments, every claim must be backed up by a receipt, and MPs who are couples can only claim for one second home.

On publication, last Thursday, every claim by and payment to all Members over the last four years was published by the House authorities on the House of Commons website. Of course, we must protect Members' security, but for the publication of the 2008-09 receipts this autumn, the question of redaction will be looked at again, having considered the advice of the Information Commissioner.

On payback, work has begun by Sir Thomas Legg, who has been contracted by the House authorities to lead a reassessment of all claims over the past four years and, having reconsidered each claim and the evidence submitted to support it, to report whether it was within the rules as they obtained at the time, with a view to ensuring that where there has been overpayment, it is paid back. The public expect that over-claims will be paid back, and that will happen, together with any necessary disciplinary action.

Work is under way by the Committee on Standards in Public Life, which, with Sir Christopher Kelly as chair, is undertaking a root-and-branch review of the allowances and will make recommendations. It is taking evidence and will complete its work in the autumn. I have already given oral evidence to the committee, and set out for it the principles that I believe that the House would want to underpin a new allowance system. Those principles are that the system should be simple and transparent; that it should reduce the cost to the taxpayer; that second-home arrangements should be consistent as between the allowance system and the tax system; that the system should sustain the all-important constituency link; that it should sustain our ability to work effectively on behalf of our constituents and communicate with them; that it should support the inclusion, as Members of this House, of those with family responsibilities and those with disabilities; that it should allow us to decide for ourselves how we do our work and not put us in a straitjacket; that it should protect the ability of those on low incomes to come into the House; and that it should command public confidence.

This afternoon, the Parliamentary Standards Bill will be published. It will establish a new, wholly independent authority to take over the role of the Fees Office in authorising Members' claims, overseeing a new allowance system, following proposals from the Committee on Standards in Public Life and maintaining the Register of Members' Interests. I assure the House that as the new independent authority for allowances is established, we will work closely and sympathetically with the House authorities on the future of the staff currently working in the Department of Resources.

The Bill will also create new criminal offences of knowingly making a false claim for an allowance, failing without reasonable excuse to register a relevant interest, and contravening without reasonable excuse the rules on paid advocacy. That will put Members of the House on the same footing as we have, in legislation, put local councillors and Members of the Scottish Parliament. I shall set out in my business statement the date for Second Reading of the Bill, but the House should know that we intend its Committee stage, as well as Report and Third Reading, to be taken on the Floor of the House. We hope that there is sufficient consensus, following the consultation that has been led by my right hon. Friend the Justice Secretary, for it to gain Royal Assent by the time the House rises for the summer recess. The new authority could then be ready to start work with the Kelly committee's recommendations by the end of this year.

The Justice Secretary and I are grateful for the constructive cross-party discussions that preceded the Bill's introduction. A number of those on the cross-party group, including the Government, are prepared to go further. The Bill is the first stage of legislation, and covers the specific but important and urgent task of setting up an independent authority to run our expenses system.

The Prime Minister, in his statement to the House on 10 June, set out his concern that we should make progress on strengthening the role of the House in holding the Government to account. Today we will table resolutions for debate on Thursday that will establish a new parliamentary Committee for a time-limited period, chaired by my hon. Friend the Member for Cannock Chase, that will look into, and make recommendations on, enabling petitions from the public to find their way into debates and votes in this House. It will also look at strengthening Select Committees, and will consider, and make proposals for, the House choosing non-Government business.

Finally, the public are entitled to know who is making payments to their MP, how much is being paid, and what the MP is doing for that payment. Following the resolution of the House of 30 April, there will, from 1 July, be a new registration requirement, so that any payment to an MP for services, whether in cash or kind, will have to be registered. Guidance from the registrar of Members' financial interests has been sent to all Members this morning. That will mean that for the first time, the public will be able to see all the payments that are made to Members. The public want to know who, other than them, is paying their MP. The Kelly committee is looking further into that, and will report on whether transparency is enough, or whether we need to do more.

The abuse by some Members of our allowance system has caused a high level of public concern. It has required this comprehensive range of actions to ensure that we can say to the public, in the words of my hon. Friend the Member for Gloucester (Mr. Dhanda), "We get it, and we're sorting it."

Alan Duncan (Rutland and Melton) (Con): May I thank the right hon. and learned Lady for advance sight of her statement?

Over the years, Mr. Speaker, you and I have often joked that we are frequently mistaken for each other—I am not quite sure why. Indeed only last night as I was walking through the Central Lobby, I was accosted by a Bishop who congratulated me on becoming Speaker. Whenever you made speeches in this House, I used to get stopped in the street the next day to be praised for what I had said. I always considered that to be a mixed blessing, but from now on, it is an honour.

This House needs to recognise two things. The first is the depth of public anger that we have faced over the last couple of months. The second is the need to have a Parliament that works and does not become so brow-beaten and rules-driven that it loses all the confidence and freedom it needs to do its job properly.

This statement is very simply a recapitulation of all the various decisions and processes that have been announced over the last few weeks. Internally, the Conservative party has taken a great deal of action and has led the way in bringing a far greater degree of transparency to what was an inadequate and murky system of allowances. We have introduced "right to know" forms for registering family members, strictly limited the things that can be claimed for under the second homes allowance and those on our Front Bench are now publishing online every receipt and relevant piece of correspondence that we have with the Department of Resources.

The Leader of the House and I attended the meeting of the party leaders where the changes that she has just described were discussed and agreed, and they were almost identical to the ones that the Conservative party had implemented. Across the House, we all feel that we have gone a long way to removing the perceived excesses and absurdities of the second homes allowance.

[Alan Duncan]

Despite the massive step towards transparency, publication last week of redacted receipts turned out to be an unmitigated PR disaster. Big black splodges, even if they were on top of completely blank paper, looked like censorship on a massive scale, even where they were not. Will the right hon. and learned Lady confirm that only the barest minimum necessary to protect genuinely private information and anything necessary to prevent identity fraud will be redacted when the 2008-09 receipts are published in October?

May I say that Sir Thomas Legg is an excellent choice to undertake an audit of all claims from the last four years as he is a man of unimpeachable integrity? The reports of the Committee on Standards and Privilege enjoy an official status in this House and, although not strictly speaking judicial, their verdict is always taken as authoritative. What does the Leader of the House take to be the status, official or otherwise, of Sir Thomas Legg's inquiry and the report we expect from him in September? Where in law will it leave a Member who has been reported unfairly as having cheated and fiddled?

In her statement, the Leader of the House re-announced her intention to set up a temporary Select Committee to propose parliamentary reform. She has already proposed that the chairman should be the hon. Member for Cannock Chase (Dr. Wright). Will she confirm that this Committee should do its work and then report just once, probably in November as she originally proposed, and that in setting it up she will agree at the same time to abolish the Modernisation Committee, which has not met for months and is clearly redundant?

The Leader of the House has referred to the Committee on Standards in Public Life and also to today's imminent publication of the Parliamentary Standards Bill. Whereas the original Nolan report of 1995 outlined some clear principles about what Parliament should be and what it should mean to be an MP, many of those principles seem to have been completely ignored, distorted and even discarded during the hand-to-mouth reaction of the last couple of months. One such area is what she calls "pay transparency". The Nolan principles made a clear and deliberate distinction between the payments and income that had a direct bearing on a Member's parliamentary conduct and other such payments that definitely did not. The resolution of the House about outside earnings has led to a new code of conduct, published today, which many Members have already told me they think is unworkable. Is she satisfied that it is, in practice, workable as the resolution of the House has demanded?

In order to determine the rules that are made to govern our conduct, should we not define in advance a clear set of principles to determine what our Parliament should be? Could we not, for instance, as a bare minimum, say that Parliament should be the free association of elected individuals, unrestrained and untrammelled by any partial interests or rules beyond those wholly necessary for MPs to carry out their duties with honesty and integrity? Perhaps, in future, this House can take definite and further steps on that sort of basis to sort out the mess that it is in.

Ms Harman: I thank the hon. Gentleman for the work that he has undertaken in consultation with the Justice Secretary and me and as a member of the Members Estimate Committee. I think that it is important for the public to be able to see that the whole House of Commons understands that we need to restore the reputation of all Members of the House and for us to work together to that end. I do not think that the public, who looked in dismay at the situation, would be further encouraged to see any party trying to take party political advantage of the situation. We simply need to work together to sort it out.

The hon. Gentleman talked about the redaction of receipts. It is obviously important to ensure that the fullest possible information, compliant with the Freedom of Information Act, is put into the public domain. If public money is paying for the allowances, the public need to know which MP has spent how much and on what.

The way in which receipts were submitted in the past few years means that it is necessary to blot out those items, such as telephone numbers on a telephone bill, that should not be put into the public domain. If we claim for something bought by one of our assistants, and the proof of that purchase is on their credit card account, we should not put the whole of their credit card number into the public domain. We have to cross out those things that have not been claimed for. I agree with the hon. Gentleman that only the barest minimum should be redacted. As he is a member of the Members Estimate Committee, like me, he is in a better position than most other Members of the House to discuss the matter with the new Speaker.

The hon. Gentleman asked about the status of Sir Thomas Legg's inquiry. As a member of the Members Estimate Committee, the hon. Gentleman took part in the discussion that supported the House authorities in contracting Sir Thomas Legg to carry out the inquiry. This work is being done on behalf of the House authorities, and the Legg inquiry will report to the House authorities. When the House is advised that money has been over-claimed, steps will be taken to get that back.

The hon. Gentleman asked where the law stood in respect of someone who was unfairly reported by Sir Thomas Legg as having received an overpayment— *[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. Does the hon. Member for Rutland and Melton (Alan Duncan) want to intervene?

Alan Duncan *indicated dissent.*

Ms Harman: I thought that the hon. Gentleman was asking where it left a Member if Sir Thomas Legg said that there had been an overpayment. The answer to that question—even if he did not ask it—is that Sir Thomas Legg will notify Members in advance of publishing his report that he has found that there has been an overpayment. That will enable them to say, "Actually, I have got a copy of that mortgage invoice, and here it is." Members will be able to respond before the report is published and put into the public domain.

The hon. Gentleman made some suggestions about how the new parliamentary Committee should work. I agree that it is a good idea for it to be of limited duration and for it to focus on bringing together much of the work that has been done by hon. Members across a number of Committees so that we can focus and make

some progress on strengthening Parliament. I think that meeting over a limited period of time and reporting once sound like good ideas.

I could not quite work out whether the hon. Gentleman was in favour of the pay transparency of the new registration system. He asked whether it was workable. I can tell him that it is and that new guidance has been issued today. The new system will be workable if hon. Members approach it as follows: if they agree to do something for someone in return for money or a benefit in kind, they should register that. I think that that is fair enough.

Mr. Gerald Howarth (Aldershot) (Con): That is registered already.

Ms Harman: It is not registered entirely at the moment. Ironically, work that is not related to the duties of a Member of Parliament is not registered at all. A person's work as a doctor, dentist or barrister does not have to be registered at present, although all details of such income will have to be registered from 1 July.

The hon. Member for Rutland and Melton (Alan Duncan) asked whether the code of conduct should contain principles. There are principles in the code of conduct, and I commend the work undertaken by the Standards and Privileges Committee to produce the new code of conduct, and the rules relating to the conduct of Members, that have been published in the House today.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. Many Members are hoping to catch my eye, and a great many wish to contribute to the debate that follows. I therefore repeat what Mr. Speaker has said about brief, single supplementary questions. I call Sir Stuart Bell.

Sir Stuart Bell (Middlesbrough) (Lab): I am grateful, Madam Deputy Speaker. Is it not a fact that the institution of Parliament has been severely damaged by the actions of its Members, for which we all accept responsibility? Only by getting our Members to understand their responsibilities can that reputation be restored. My right hon. and learned Friend has talked about the new Bill coming before the House and said that it will become law before the summer recess. She seems to be confident that there will be some kind of consensus on the Floor of the House but, given the remarks by the shadow Leader of the House, may I tell her that I am less optimistic than she is?

Ms Harman: I congratulate my hon. Friend on his long years of work on the Members Estimate Committee. I believe that public confidence will be restored when it is clearly evident that we have clear rules, and that their operation is wholly independent of the House. Following the extensive cross-party talks that have taken place—and I should like to thank all those who took part in them—I believe that we can achieve a consensus. The public expect us to act, and to do so swiftly. Although the normal extended parliamentary timetable is important for scrutiny, in this case I think that people would see it merely as a cover for us diving into the long grass and rustling around. We have to get a move on with setting up an independent parliamentary standards authority. It is necessary, and we should get on with it.

Mr. David Heath (Somerton and Frome) (LD): I thank the Leader of the House for her statement, and for my early sight of it. The public will welcome the fact that a shared view is emerging that fundamental reform is urgent and vital. However, I also suspect that people may be getting a little tired of party leaders trying to claim unique credit for that, whether on the lunchtime news or in this Chamber. I also wish that there was a shared view among hon. Members about the commitment to transparency and openness. I am not yet convinced that that is the case, and it may be something that we still need to work on.

That brings me naturally to the publication of expenses. As far as I am concerned, data protection is important but having acres of black space is a redaction to the absurd. In my published expenses, the address of my local newspaper was removed, apparently because I had put in a receipt for an advertisement that I had placed. That suggests that we need to look at the matter again, and urgently.

The Leader of the House knows that I have also given evidence to the Kelly committee. As she said, what is required is what is needed to do the job as a Member of Parliament—no more, no less. My view is that the right way forward is that basic accommodation costs only should be claimed, but we must wait and see what Kelly says. I ask her to confirm yet again that the Government will accept the recommendations of the Kelly inquiry, whatever they may be. Will she also confirm that she will accept the recommendations of the Committee to be chaired by the hon. Member for Cannock Chase (Dr. Wright) and put those recommendations, whatever they are, before the House, rather than editing them in advance?

On the Parliamentary Standards Bill, the Leader of the House knows that we support the principle of external regulation. Has she given any further thought to registers held by the House, other than the Register of Members' Interests, that should be covered by the Bill? Will she look again at the common law offence of misconduct in public office? The maximum penalties for the offence are life imprisonment and unlimited fines, which many of our constituents may feel is insufficient for many Members. Will the right hon. and learned Lady look at putting that on a statutory basis, as recommended by the Committee on Standards in Public Life in 1997?

Lastly, I welcome the transparency that is being proposed on non-parliamentary income, but I feel there are still problems with the de minimis requirements and their connection with the advocacy rules. I do not want us to be in the position that no Member of the House can visit a factory in their constituency and accept a cup of tea and then say something in the House about the industry or their constituency. I do not think that the code of conduct and the guidance notes yet make the distinction that provides for those circumstances.

The Leader of the House has our general support for the measures she has put forward today. We must now make progress, and the sooner we can do so, the better.

Ms Harman: As I said, the House authorities will be looking again at the question of redactions. That exercise, which they undertook for the first time, involved 800,000 pages, so inevitably some things that Members are concerned about will fall either side of the line.

[Ms Harman]

Before the 2008-09 receipts are published, Members will be able to look again at all those issues and discuss them with the Information Commissioner, and any Member who wants to can submit suggestions about the issues in principle.

The hon. Gentleman asked whether there will be acceptance of the report of the Committee on Standards in Public Life under the chairmanship of Sir Christopher Kelly. The hope is that we do not once again have to trawl through all the issues we went through last July and this January. There is the expectation that we will be able to accept the report and we certainly hope that will be the case.

I agree that we expect the proposals of the Committee chaired by my hon. Friend the Member for Cannock Chase to come before the House through a resolution. That is the whole point. There is no point a Committee sitting, having a lot of good thoughts and making good proposals if nothing happens as a result. There is a commitment on the Labour Benches to seeing such proposals go forward.

The hon. Gentleman asked whether the offence of misconduct in public office should be put on a statutory footing. That is being considered by my right hon. Friend the Justice Secretary, but it would not be a matter for the Parliamentary Standards Bill, which we have tried to keep narrow and focused.

The hon. Gentleman talked about the difficulty of transparency in the registration of pay. As he is a great champion of transparency on allowances, I ask him to apply that mindset to the question of transparency on pay. If somebody has a cup of tea when visiting a factory, nobody would regard it as payment for services. I think Members can distinguish payment for services from a donation. Different rules will apply to donations from those that apply to payment for services. We all need to make the rules work. This is long overdue: if people take money from their constituents for doing things, the public should know about it.

Mr. David Winnick (Walsall, North) (Lab): I fully support all the efforts being made by the Government both to clean up our act and for full disclosure. I have listened carefully to what my right hon. and learned Friend said, but does she accept nevertheless that the blacked-out information released officially last week was very embarrassing? It lost us further public support, was rather farcical and can be described only as a public relations disaster.

Ms Harman: As I indicated, the House authorities will look again at redaction. The intent is to put information into the public domain, not to raise even more concerns.

Sir George Young (North-West Hampshire) (Con): I very much welcome the bulk of what the right hon. and learned Lady announced, but can she confirm that what the Prime Minister announced on 10 June—a statutory code of conduct for Members of Parliament—has now been abandoned as unworkable?

Ms Harman: When the right hon. Gentleman sees the Bill that will shortly be published, on which he was good enough to engage in consultations, he will see that it puts the code of conduct on a statutory footing. May I take the opportunity to say that he no doubt was disappointed by yesterday's result, but in his campaign to be Speaker he suggested a number of important and positive ideas, which I am sure the House will want to take forward. I suppose the benefit for the House is that he can continue his work as Chair of the Standards and Privileges Committee, which is more important now than it has been for many years.

Fiona Mactaggart (Slough) (Lab): It strikes me that there is a risk of our either rushing ahead to try to fix things, or going very slowly. We failed to take action against the former dishonourable Member for Windsor when he claimed for an utterly fictional address, and since then we have been surprised by Members' behaviour that is not honourable and have rushed to solutions, some of which, as the right hon. Member for North-West Hampshire (Sir George Young) emphasised, might not work in practice. I have noticed that colleagues who were originally enthusiastic about the House being the employer of our staff felt less enthusiastic following the consultation about what that might mean. Will my right hon. and learned Friend ensure the widest possible consultation on the Bill's proposals to make sure that we get it right this time, having got it so miserably wrong so frequently?

Ms Harman: My hon. Friend makes an important point. The longer we take, the more we can go through the details. There is unprecedented public concern about these matters, so we need to act promptly. There will be an opportunity on the Floor of the House for all hon. Members to participate in the Committee stage, Report and Third Reading of the Bill. It deals mostly with the narrow but very important issue of changing the system so that we do not set our own allowances and administer them, but, rather, it is carried out independently. That is not over-complex, and I hope she will participate in the debate.

Mr. Christopher Chope (Christchurch) (Con): Does the Leader of the House accept that it is important that the issues relating to the code of conduct of Members should be judged on the same basis as the code of conduct for Ministers? It seems as though the Government are proposing one law for Members and another law for Ministers.

Ms Harman: The Prime Minister keeps the code of conduct for Ministers under review.

Paul Flynn (Newport, West) (Lab): Is there not a case for considering the problems of the revolving door whereby former Ministers trade on their contacts and experience to seek salaries in the private sector? Is there not a strong case for arguing that if there is transparency about the amount of time that Members spend on their other jobs, we should consider appropriate reductions in their salary, on the basis that no Member can do two or more full-time jobs adequately?

Ms Harman: My hon. Friend is quite right. The public expect that if we are elected to the House, our focus should be on public representation of our constituents or work in Select Committees more widely. The rules on Ministers subsequently taking work are clear. There

will be a difference in future because of transparency. Members will have to think harder about what is acceptable when they know that their constituents will be fully in the picture about how many hours they spend doing work other than representing them or working as Ministers.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Will the Minister explain a little about the time-spent declaration that will have to be made? I have only ever had one job that in any way impinged on my ability to spend at least 60 and often many more hours a week working for my constituents, and that was as a Minister for 10 years. Will Ministers have to spell out how many hours they spend on ministerial work? If not, why not?

Ms Harman: When somebody acts as a Minister, what they do is absolutely in the public domain, it is quite evident to the public that they are a Minister and their pay, which is published and transparent, is also in the public domain. Let us face up to it: in this House, quite a large number of Members have had jobs that are nothing to do with being a Member of Parliament and nothing to do with serving the public interest, but to which they have devoted their time and for which they have been paid. We are simply saying that, in future, that information should be in the public domain. It is very important, indeed, that the public are able to see it. The right hon. Gentleman will well know that Ministers' diaries are subject to the Freedom of Information Act and that everything that we do is totally in the public domain.

Mr. Gordon Prentice (Pendle) (Lab): The Public Administration Committee recommended five months ago a mandatory register of lobbyists. Will that be covered by the Parliamentary Standards Bill?

Ms Harman: The hon. Member for Somerton and Frome (Mr. Heath) asked what other registers might be considered, and, as I said in my statement, further progress can be made on regulation and ensuring that things are put on an independent footing. That proposal has been made in the past, and it has been subject to consultation, not least in the draft Constitutional Renewal Bill.

Sir Alan Beith (Berwick-upon-Tweed) (LD): The Leader of the House spoke of the new committee that will consider proposals for dealing with non-Government business. Will she assure me that she does not seek to prevent that committee from considering the idea of a business committee, through which the House could decide how it allocated its time in dealing with the Government's business, particularly bearing in mind that, in the election to be Speaker yesterday, almost all the candidates who got almost all the votes committed themselves to such a proposition?

Ms Harman: I shall table a motion later today setting out the terms of reference that we propose for the committee. Hon. Members will be able to consider the motion, which will be amendable, and there will be a debate on Thursday.

Mr. David Anderson (Blaydon) (Lab): The Leader of the House said that she would work closely and sympathetically with a new, independent authority on the future of our staff, but surely the people who need to be looked after closely and sympathetically are those staff and their trade unions. The best thing the House authorities could do is recognise the independent trade unions, which they will not do at the moment.

Ms Harman: The House authorities do recognise the trade unions of people who are directly employed by the House, but there are different issues for staff who are employed by Members. However, I think that some discussions are going on, and it ought to be possible to make progress on that, too.

Mr. Charles Walker (Broxbourne) (Con): When I first entered the House, I made myself very unpopular among colleagues by suggesting that no one should have outside interests. I was absolutely and totally wrong. There is not a raging bull market in hiring ex-Members, and I hope that the Leader of the House recognises that it is very important that we allow people in this place to retain a foothold in their profession or in the private sector, so that when they leave this place they are employable and have a future.

Ms Harman: The House has agreed not a prohibition but simply transparency, and the measure will come into effect on 1 July. Members may think that their constituents will find their foothold, or whatever else, to be completely acceptable, but it will be for constituents to judge after Members have registered it. Going further than that, the Kelly committee will consider whether the measure goes far enough or whether there should be some restrictions on it.

Mr. Parmjit Dhanda (Gloucester) (Lab): I welcome my right hon. and learned Friend's statement, but will she take a closer look at the really important work involving my hon. Friend the Member for Cannock Chase (Dr. Wright)? She mentioned petitions in particular, but will she also look into the role of topical debates? She mentioned my speech yesterday; in the context of that, I ask whether there can be greater public involvement in deciding the issue for topical debate. If there were that level of engagement, we could really say that we do get it.

Ms Harman: Both those issues, which my hon. Friend raised in his excellent speech to the House yesterday, will be within the remit of the committee that we hope will be established on Thursday.

Angus Robertson (Moray) (SNP): The House of Commons has a real opportunity to learn from the higher standards that operate in the Scottish Parliament. It is right that there should be criminal sanctions for MPs who break the rules, and I am glad that the Bill takes forward some of the provisions from the Scotland Act 1998. I notice, however, that it does not emulate the same high standards when it comes to the declaration of Members' financial interests. Will the Leader of the House confirm that should the Scottish National party propose amendments to introduce such measures into the Bill, the Government will listen closely to the arguments?

Ms Harman: We will, of course, listen closely to all the arguments. I pay tribute to the hon. Gentleman, who has played a thoroughly constructive role in the

[Ms Harman]

discussions prior to the introduction of the Bill. We have had the opportunity to draw on his knowledge of the Scottish Parliament.

Dr. Alan Whitehead (Southampton, Test) (Lab): I welcome my right hon. and learned Friend's proposals and the speed at which they are being undertaken. As part of that process, does she intend to produce or publish any further material that will seek to make a clear and durable distinction between the standards relating to Members, for which an outside body should have reference and sanctions, and the privileges of the House? It is difficult to see such a body, or a body associated with it, taking the same action on that issue as the action envisaged as far as the standards of hon. Members are concerned.

Ms Harman: The standards for which the new authority established in the Bill would be responsible would relate to the allowances and claiming for them. There is no proposal in the Bill for the authority to have further powers that would deal with the privileges of the House.

Mr. Hugo Swire (East Devon) (Con): On several occasions in the past few weeks, the Prime Minister has suggested that he will extend the new transparency and accountability to other bodies funded by the taxpayer. Was he just trying to deflect some of the heat or are the Government genuinely considering extending the provisions to publicly funded bodies? If so, which ones?

Ms Harman: The Secretary of State for Justice is reviewing the Freedom of Information Act, for which his Department is responsible. The issues raised by the Prime Minister will be part of the review. If the hon. Gentleman has any suggestions, I hope that he will contribute to the consultation.

Mr. Paul Goodman (Wycombe) (Con): Most of my constituents and those of other Members would believe that being a Minister is a second job. Given that, why should not the same conditions of transparency apply to Ministers as apply to any other second job?

Ms Harman: Transparency does apply to Ministers. Their diaries are subject to the Freedom of Information Act and Ministers' pay is in the public domain. There is a tight regime for registering not only Ministers' financial interests but those of any of their relatives. Those provisions are already very much in place.

The constitution of the House is that Ministers should be Members of the House of Commons or of another place. We do not have an American system. I do not know whether the hon. Gentleman is proposing a completely different constitutional arrangement, under which Ministers would not be Members of this or another place and would not be accountable to either House of Parliament. I do not think that that would be a good idea.

Mr. Alan Reid (Argyll and Bute) (LD): I welcome much of what was in the statement today, but there was one important omission, which my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) mentioned. I hope that the committee chaired by the hon. Member for Cannock Chase (Dr. Wright) will be able to consider the programming of Government Bills on Report. Scrutinising Bills is one of the most important jobs that we do, and it is very important that amendments on Report should be grouped in such a way that all parts of a Bill are discussed. I hope that the committee will be able to look at that aspect of programming.

Ms Harman: We will table today the motion to establish the remit of the committee, which we hope the House will pass. There will be an opportunity for the hon. Gentleman to examine it and, if necessary, propose amendments.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): May I urge upon the Leader of the House the need to have all minority opinions within the House properly represented on the committee? May I ask her to reflect on the answer she gave the Chairman of the Standards and Privileges Committee? She said that the code of conduct would be on a statutory footing. It clearly will not, because if it were to be, it would be the subject of a separate Bill. If the Government wish—I believe wrongly—to pursue a code of conduct on a statutory footing, will she ensure that we have a proper draft Bill and full pre-legislative scrutiny of it?

Ms Harman: The minority parties, and the hon. Gentleman himself, played an important role in the discussions leading up to the publication of the Bill today, and I hope that they will play a part in the committee chaired by my hon. Friend the Member for Cannock Chase.

We hope to provide enough time on the Floor of the House for debate on the Bill, but we are providing an opportunity for the other business of the House to move in such a way that we hope to have the Bill in and out of Parliament, with Royal Assent, by the time the House rises. We need to reassure the public that as well as having a payback system for the past four years' expenses and having transparency, we will no longer run the system ourselves. The public do not accept that we should regulate ourselves in relation to our expenses in future, so we should get on and do what I have described.

Sir Nicholas Winterton (Macclesfield) (Con): My average working week when the House is sitting, including travel to and from my constituency, is 86 hours. Although I am in favour of full transparency of any income from a second or even third job—I believe that that is important—does a Member of Parliament have no time of their own in which they can carry out other activities? It is quite intolerable that they should be expected to provide a timesheet in respect of jobs that they do outside their parliamentary duties. Do they not have time of their own in which they can do other work?

Ms Harman: Obviously, all hon. Members have time that is not devoted to their parliamentary duties and their duties on behalf of their constituents. The issue is whether they are paid for it. If a member of my staff who was working hard for me on behalf of my constituents had another job that paid her three times as much as I paid her, I would wonder about her commitment to my constituents and to working for me, and I would certainly want to know about it. That is the point of transparency.

The House has already agreed to a register that will put the information in the public domain. If the hon. Gentleman's constituents think that it is all right for him to earn five times as much doing other work, they will make that judgment.

Sir Nicholas Winterton: I am not.

Ms Harman: I am sorry, I did not mean to cast any aspersions on the hon. Gentleman; I am just doing a "for example". Transparency is very important, and people will be able to judge on the information available.

Mr. Chope: On a point of order, Madam Deputy Speaker. The new Speaker has made it very much his remit to ensure that Back Benchers get more rights and privileges in this Chamber. You will have noticed from recent exchanges on the Parliamentary Standards Bill that there were two schools: those who have already seen the Bill in draft, or almost final, form, and those of us who have not, even though we know it is about to published. Would it not have been much better for the Bill to have been published before the statement, so that we could all have been acting on the same basis?

Madam Deputy Speaker: I thank the hon. Gentleman for his point of order. It is indeed an interesting one, but it is none the less not a point of order for the Chair.

BILL PRESENTED

Parliamentary Standards

Presentation and First Reading (Standing Order No. 57)

Ms Harriet Harman, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Straw, Secretary Alan Johnson, Mr. Secretary Woodward and Barbara Keeley, presented a Bill to make provision establishing a body corporate known as the Independent Parliamentary Standards Authority and an officer known as the Commissioner for Parliamentary Investigations; to make provision relating to salaries and allowances for members of the House of Commons and to their financial interests and conduct; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 121) with explanatory notes (Bill 121-EN).

Local Employment

Motion for leave to introduce a Bill (Standing Order No. 23)

5.10 pm

Mr. Jamie Reed (Copeland) (Lab): I beg to move,

That leave be given to bring in a Bill to promote the utilisation of local business supply chains and the local workforce in the completion of major infrastructure projects; and for connected purposes.

I declare an interest at the outset, in that my father and brother co-own a small construction company in my constituency, in which I have no involvement or financial interest whatever.

The Bill would aim to ensure that local people and local businesses received maximum benefit from major privately funded infrastructure projects and Government-funded investment programmes in areas such as west Cumbria and other areas of partial market failure around the UK, both now and in the future. It would require large employers to show a duty of care towards the local work force with respect to employment, training and development. Local businesses should also be shown a duty of care by those same public or private agencies when they procure goods and services. Consequently, the Bill would aim to help grow local businesses and to create more jobs and stronger, more sustainable communities. That would result, at least temporarily, in the reduction of externally contracted labour from outside local economies, thereby increasing the number of contracts available to the local supply chain.

The Bill is based on essentially Keynesian principles, because just as we are witnessing a return to what some have called Keynesian economic policy, with market intervention on a national and international basis, so we must now ensure that the same type of policy, with the same intended effect, is introduced at the regional and micro level throughout the country, to ensure that already peripheral regions can emerge from this downturn stronger and better equipped to grow economically. In so doing, we will strengthen our national economy, reduce long-term Government subsidies and bail-outs to areas of market failure, and stop the overheating of the south-east economy.

The Bill is not meant to be anti-competitive. It would not seek to prohibit competition or create a closed shop for either local work forces or local businesses—to do so would prohibit opportunities for local people elsewhere in the UK and across Europe. However, the Bill would aim, wherever possible, to put local small and medium-sized enterprises at the top of the list for services required by major public and private agencies. The Bill would also aim to put local people at the front of the jobs queue.

There will always be a need for workers with certain skills and abilities from outside particular areas to find work in those areas, and in many ways it is important that they should. Our magnificent NHS is proof of that. Far from being anti-competitive, the Bill would aim to introduce market interventions—a correcting hand—to ensure that the whole country can fairly compete in the free market. The Bill would seek to do that by growing local economies through placing a legal obligation—a duty of care—upon major investors and public and private agencies to employ as much local labour as possible, to train local labour where skills

[Mr. Jamie Reed]

gaps occur and to create indirect employment through the targeted use of local business supply chains. At the heart of the Bill is a presumption not that the free market is wrong, but that too many of our people and our communities cannot enter it.

There could hardly be a more propitious time for the introduction of such a Bill, given the recent industrial unrest surrounding the employment of foreign nationals in some workplaces around Britain. However, before making clear the inequities that this Bill is designed to address, it is important to state what it is not. It is not a Bill designed to stop the skilled employees whom we need coming to this country. However, it is a Bill that would seek to further the aims of social justice, develop more responsible business practices, including the effective development of genuine corporate social responsibility, help to secure full employment in our communities, help to develop a more progressive and engaged relationship between business, the Government and trade unions, and underpin the economic regeneration of those communities experiencing market failure, through progressive employment practices and the development of a duty of care on major public and private agencies towards the communities in which they operate.

The background to the Bill is simple and can perhaps best be seen through the prism of my constituency and the experiences of my constituents. The Sellafield nuclear facility is the largest employer in my constituency and perhaps the largest in the whole of west Cumbria. In truth, it is perhaps the largest employer of its size in any industry anywhere in our islands. The site employs approximately 11,000 people directly and a further 5,000 in the local supply chain. The annual budget for operations at the site that is provided by the taxpayer is about £1.3 billion. Less than half that money is spent locally, meaning that the unique work undertaken in my constituency in the service of this nation does not provide anything like full employment, either directly or in the businesses that comprise the supply chain. In fact, if more had been spent locally historically, it is unlikely that the area would now require such economic regeneration.

Sellafield's THORP—the thermal oxide reprocessing plant—is a multi-billion pound facility that is still the largest yen earner in the British economy. Adjacent to the site—literally only a few miles away—are pockets of severe inter-generational unemployment, worklessness and much else. That is morally wrong. That point is historically important, but far more important is the immediate future of my constituency and scores of constituencies like it up and down this country. During the construction of THORP, a heavily contractorised work force from all over the United Kingdom created an unsustainable spike in the local economy. Neither the rise nor the fall of the spike was properly planned for. Consequently, the local economy overheated and, once construction came to an end, the spike rapidly disappeared, leaving a deflated economy and an enfeebled supply chain.

With the real prospect of nuclear new build in my constituency, in addition to the building of a £100 million acute district hospital, a new £25 million academy school and new health centres and dental surgeries, as well as multi-million pound school improvements, universities, laboratories, community hospital refurbishments and more, it is essential that the mistakes of the past are not repeated. The remedies that the Bill offers are suitable for many areas of the UK, particularly given the accelerated public spending programme now under way.

The external servicing of contracts such as these from companies outside the local economies in which the investments are made will, if left unchecked, strip smaller, isolated economies of the full economic benefit of public and private investments. In turn, this makes it impossible for these areas to grow their industrial capability and capacity, either in their skills base or in the strength of their local business supply chain, making it unlikely, if not impossible, that these same entities could ever compete for contracts within their own local area, let alone outside it.

The Bill intends to ensure that, apart from in exceptional circumstances, companies working locally must exhaust the local labour market before attracting external labour, whether from outside the immediate locality in which investments are being made, or from outside Britain. The same opportunities should be afforded to companies in the local supply chain.

The reasons for these measures are compelling. Put simply, many of our communities, rural and urban, can be classified as areas of market failure. The further away from major economic centres and communications arteries these areas are, the more likely it is that their economies rest on public investment, either in the shape of subsidy or in the shape of universal public services such as schools, hospitals and local government. Let me be clear: 10 years of unprecedented public sector investment have delivered stronger economies, improved services and better standards of living. By and large, however, these investments have not solved what is in many cases decades of market failure. The tensions are obvious, even before one takes into account the likely pressures on the public finances over the coming years. The communities concerned do not want to rely on the largesse of Governments, and Governments of any type do not wish to provide an indefinite subsidy to areas that, in some cases, show little sign of sustainability.

One of the best analyses of the situation facing such communities was articulated by Robert Kennedy as long ago as 1968. When illustrating the problems facing the urban poor in the United States, he wrote:

"A realistic plan must also begin with a perspective: that the building of self-sufficiency and self-determination within the communities of poverty themselves is critical."

In charting the fundamental role of employment in combating poverty and economic under-development, he also wrote that

"welfare workers, or higher welfare payments, cannot confer self-respect or self-confidence in men without work".

Kennedy went on to chart the importance of this factor in the collapsing family unit in areas of poverty, but the point is that, in the same way that unemployment affects individuals, the culture that it creates affects whole communities—even whole regions of this country. Government programmes by themselves are not the answer to these problems. For markets to grow, take hold and work, economies need businesses that are not only flexible and responsive but socially responsible.

It is clear to all of us—whether we are buying milk from the local supermarket that has come from hundreds of miles away and not from the local farm, or whether

we are watching gangs of contractors leave factories and employment sites in areas where unemployment exists close to those places of work—that when we allow the building blocks of wealth creation to be taken away from local economies, those economies begin to crumble and their dependency on the state grows.

There are times when it is clear that external labour is required and should be welcomed enthusiastically, and there is a variety of different situations in different local economies when such arrangements work successfully and to the benefit of those localities. However, there are also times when a duty of care must be shown to local work forces. Stopping foreign labour entering the UK entirely would seriously damage our economy and lead to thousands of overseas UK workers being thrown out of jobs, as well as damaging the UK's competitiveness and skills base. We now need to develop a more sophisticated and effective programme of economic development and job creation. Many of our communities need it, the times demand it and the Bill would help to facilitate it.

Question put and agreed to.

Ordered.

That Mr. Jamie Reed, Andrew Gwynne, John Mann, Phil Wilson, John Robertson, Tim Farron, Albert Owen, Mr. Richard Caborn, Malcolm Wicks and Lembit Öpik present the Bill.

Mr. Jamie Reed accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 16 October and to be printed (Bill 120).

Marine and Coastal Access Bill [*Lords*]

[Relevant Documents: The Report from the Joint Committee on the Draft Marine Bill, Session 2007-08, HC 552-I, and the Government's response, Cm 7422. The Eleventh Report from the Joint Committee on Human Rights, on Legislative Scrutiny: Marine and Coastal Access Bill, HC 396, and the letters to Lord Pannick from the Deputy Leader of the House of Lords, Lord Hunt of Kings Heath, of 3 and 4 June.]

5.20 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I beg to move, That the Bill be now read a Second time.

For many centuries, our nation has been defined by its relationship with the sea. Although we may no longer seek to rule the waves, our island heritage remains a source of great pride. Our seas and our coasts and their waters are a source of so much: they give us food; they support jobs; they enable us to travel and to create energy; they help us to regulate our changing climate; they give us the chance to sail or to swim or to dive and catch a glimpse of what lies beneath the surface. Our seas inspire us, from the mirror-glass stillness of a calm day to the fearsome rage of a storm.

John F. Kennedy put it like this:

"All of us have in our veins the exact same percentage of salt that exists in the ocean... We have salt in our blood, in our sweat, in our tears. We are tied to the ocean. And when we go back to the sea, we are going back from whence we came."

How very true—and yet for many years we have taken all of this for granted. The House knows that we cannot do so any more. If we wish to ensure that future generations can continue to enjoy these riches, we must recognise the pressures that humankind has put on our seas and take the steps needed to create healthier, more productive and more biologically diverse waters. That is what this Bill aims to do.

I cannot let this moment pass without thanking all the people without whose passion, commitment and sheer determination I would not be standing here today moving the Bill's Second Reading. I acknowledge the hon. Member for Uxbridge (Mr. Randall), who has campaigned for this Bill for many years. I also acknowledge the hon. Member for Brecon and Radnorshire (Mr. Williams), my hon. Friends the Members for Sherwood (Paddy Tipping) and for Reading, West (Martin Salter), and the hon. Member for St. Ives (Andrew George). I thank the former DEFRA Minister, my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw), who it is good to see in his place today, and the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), who has done so much work to get the Bill before us today. I also thank the Joint Committee, which under the chairmanship of Lord Greenway carried out pre-legislative scrutiny, and the Environment, Food and Rural Affairs Committee, which under the chairmanship of the right hon. Member for Fylde (Mr. Jack) examined the Bill's coastal access provisions.

Perhaps most important of all, in adding to that august list, I wish to thank the 15,000 organisations and members of the public who responded to our consultation, and the many more who have wanted this Bill for a long time and would not rest until it came to pass.

Hugh Bayley (City of York) (Lab): There is huge interest in my constituency in this Bill. The Yorkshire wildlife trust held a public meeting recently, to which 300 people turned up; and 100 to 200 people turn up each time the wildlife trust does one of its beach clean-ups on the Yorkshire coast. A little while ago, the Under-Secretary agreed to come to York to meet these people at a public meeting. The Secretary of State knows, because he has held just that kind of meeting in my constituency, that they are useful and constructive occasions. I would like an assurance that the Under-Secretary will be able to come to such a meeting while the Bill and amendments are being considered in Committee, so that he can listen to what the public are saying.

Hilary Benn: My hon. Friend the Under-Secretary is a man of his word and my hon. Friend the Member for City of York (Hugh Bayley) can expect to receive a visit during the Committee stage. If any other hon. Members want to get their bids in, they ought to do so fast.

The wildlife trusts, which have worked very hard for this Bill, have described the publication of the Bill as an "historic victory" and the Local Government Association has said that it is one of the most important pieces of legislation to be developed for decades for the marine environment.

Lembit Öpik (Montgomeryshire) (LD): The Secretary of State invites me to invite him to my constituency, which I will, not least because we could probably organise a cross-constituency meeting at which he could hear views on some specific issues from Brecon and Radnor, Ceredigion and Montgomeryshire. They include concern about the lack of an unambiguous duty to designate an ecologically coherent network of marine conservation zones that also contain some highly protected areas where all extractive and otherwise damaging activities are excluded, and understanding the matter of equestrian access, which has concerned some of my colleagues. If the right hon. Gentleman is willing to come to mid-Wales on a cross-constituency and cross-party basis, he will be well informed and his visit would be very much appreciated.

Hilary Benn: If the hon. Gentleman listens to what I say about the Bill, he may feel somewhat reassured, but I will always give careful consideration to an invitation from him or any other hon. Member.

The Bill has been given full consideration in the other place and what is before us today reflects the changes that have resulted. I am grateful to my noble Friends Lord Hunt of Kings Heath and Lord Davies of Oldham for the huge amount of time and effort they have put in to steering the Bill through the other place. We have before us today an improved Bill as a result of those efforts.

The waters around the UK are one of the richest marine environments in the world. More than 8,000 species have been recorded in our seas, from the pink sea fan to the Atlantic puffin and from tiny plankton to the basking sharks that feed on them. Businesses working in and around our seas contribute between 3 and 4 per cent. of our GDP and directly employ about 500,000 people. They are central to the life of many communities around the country. It is for this reason that the Bill seeks to find a balance: space in our seas for economic activity and further development—for example, generating more renewable energy—while protecting vital habitats and marine life.

David Davis (Haltemprice and Howden) (Con): On precisely that point, the thrust of the Bill in creating marine conservation zones is entirely supported by almost everybody in the House, but there is one difference between it and its Scottish equivalent and European legislation on sites of special scientific interest. The criteria under the Bill for creating a marine conservation zone take into account social and economic factors; those factors are not in the Scottish or SSSI legislation. That comes in only at the management stage. Should not the decision on the location of one of these zones be principally—in fact, entirely—a scientific and conservation decision, with the management then dealing with the social and economic factors?

Hilary Benn: The issue has been debated at some length in the other place and no doubt will be looked at in Committee. The Government feel that we have struck the right balance. The Bill is flexible and allows us to put in place very high degrees of protection, but it is right that we may take into account socio-economic factors in taking those decisions. The right hon. Gentleman is absolutely right to draw the House's attention to the difference between the Bill and what devolution may have given in Scotland. We think that the balance is right.

Barry Gardiner (Brent, North) (Lab): In maintaining that position, does my right hon. Friend recognise that there is a conflict with the common fisheries policy Green Paper, which talks about the current CFP regulations and says that

"these objectives can and do clash in the short term, especially when fishing opportunities have to be temporarily reduced in order to rebuild overexploited fish stocks. Social objectives such as employment have often been invoked to advocate more generous short-term fishing opportunities: the result has always been to further jeopardise the state of the stocks and the future of the fishermen who make a living out of them"?

Surely the Bill needs to be seen in conjunction with the Green Paper, because both represent phenomenal opportunities which Members across the House want to see constructed—

Madam Deputy Speaker (Sylvia Heal): Order. That was far too lengthy.

Hilary Benn: I agree with my hon. Friend that we have to manage the competing demands that we make of our seas and what lies beneath them, including fisheries. The Bill has had to be drafted in the context of the CFP as it currently is, of course, but there are many Members in all parts of the House who would like to change the CFP, and my hon. Friend the Minister of State was this morning at the Agriculture and Fisheries Council, where this issue will be discussed. We can do our bit here; we need to persuade our colleagues in Europe to do their bit there.

Mr. Bernard Jenkin (North Essex) (Con): Under this Bill, who will be legally responsible for ensuring that fish stocks are not over-exploited, and whom can the citizens sue for the collapse in fish stocks and the denigration of the marine environment?

Hilary Benn: For the reason I alluded to in answering the previous question, the fundamental responsibility rests in the context of the CFP, because this is not of itself a fish-stocks management Bill. We all have a

responsibility to make sure we have regard to the sustainability of our fish stocks, however. Although the fundamental arena in which we have to do that is the CFP, this Bill will make the UK the first country to adopt such a wide-ranging approach to marine management, and it will set the scene for what we hope will be radical reform of the CFP in time.

Mr. Jenkin: Is the Secretary of State aware that the WWF tried to mount a prosecution against the failure of the CFP, but that there is no locus for any non-governmental organisation to sue anybody for the failure of the CFP to conserve fish stocks? Is that not a complete and abject denial of accountability?

Hilary Benn: In the end, it is for the courts to determine whether cases can or cannot be brought, but that underlines the point that the hon. Gentleman rightly raises about the need to reform the system that determines the progress we make, or do not make, in ensuring our seas are managed sustainably. That framework is the CFP, which is why reform is needed so much.

Dr. Alan Whitehead (Southampton, Test) (Lab) *rose—*

Hilary Benn: I shall give way one more time.

Dr. Whitehead: I thank my right hon. Friend for his great generosity in giving way once more. On the designation of different parts of the sea bed for different uses and the multiple use of some areas, will he ensure that multiple use is determined at the time of designation, rather than afterwards? In other words, if there are multiple designations such as for wind farms and a marine conservation zone, will he ensure that they are made at the time of the initial designation and not considered subsequently?

Hilary Benn: I am sure that we will look at that question in Committee. The purpose of the Bill, however, is to give us a range of ways to protect what we seek to protect, so that at one end of the spectrum we can say that nothing can happen at all and at the other end of the spectrum we can say, "All these things can happen except this one." That depends on what we are trying to protect, and the flexibility that is to be found in the Bill gives us the means to achieve all those things.

Mr. John Redwood (Wokingham) (Con) *rose—*

Hilary Benn: If the right hon. Gentleman will bear with me, I am going to make some progress, as many Members wish to speak and I am conscious of the time. I would just add that the documentary "The End of the Line" which has been seen in recent weeks makes the point about how much we are currently taking from the sea, and the publication last week of the new climate projections makes us think about the impact of a changing climate on our seas. My point is that the Bill is not just right, it is also very timely and I should like now to turn to its provisions—

Mr. Redwood: I am grateful to the Secretary of State for giving way before he leaves that very important point. A lot of people welcome the Bill but they want some reassurance that it will protect the right areas to the right standard. As he said, it is a permissive Bill. Can he give us some idea of how many marine conservation zones there will be and how intense the protection will be?

Hilary Benn: I am not going to give the right hon. Gentleman a number now as it would not be wise to do so. I know that there has been a campaign regarding the percentages of the seas that should be so designated. The right approach is to look at the evidence, look at the science, find out what is there—we know some things already, but there is a lot, as the right hon. Gentleman will acknowledge, that we do not yet know—and work from the bottom up, rather than artificially sticking into the Bill a percentage at the beginning, which would be the wrong way to go.

The Bill clearly places a duty to designate an ecologically coherent network of marine conservation zones, and gives Ministers the power to protect them in an appropriate way, having regard to what one is seeking to protect.

Ms Sally Keeble (Northampton, North) (Lab): Will my right hon. Friend give way?

Hilary Benn: If my hon. Friend will bear with me, I am going to make some progress; otherwise, the time for other Members to speak will be limited.

Part 1 and schedules 1, 2 and 3 will establish a new independent body, the marine management organisation, to draw together many of the activities covered in the rest of the Bill. The MMO will be responsible for drawing up marine plans, issuing marine legislation licences, continuing the marine and fisheries management currently undertaken by the Marine and Fisheries Agency, and enforcing marine legislation.

Shona McIsaac (Cleethorpes) (Lab): Constituents of mine who work for the Marine and Fisheries Agency have come to see me about transferring to the MMO. Apparently, they will lose their civil service status, which has not happened with jobs transferred to other non-departmental public bodies. Could my right hon. Friend look at that, because in the current economic climate those people are understandably fearful of losing their status?

Hilary Benn: The MMO is going to be established as an NDPB precisely to give it the independence that many of those who have long advocated the setting up of the MMO have said it should have. The staff will transfer with contractual terms and conditions applying at the time of the transfer, and they will be eligible for the civil service pension scheme. Staff will be able to apply for other civil service jobs and a number of other safeguards will be applied, including the Secretary of State's having to approve any changes to the terms and conditions that might be made. I hope that that offers some reassurance to members of staff who have expressed those concerns.

The MMO will be an NDPB precisely so that it reports formally to Parliament through the Secretary of State. It will act as the Government's strategic marine delivery body, be a centre of marine management expertise and play an important role in making representations to and advising the new Infrastructure Planning Commission. Changes to the Bill made in the other place mean that the MMO has been made stronger. Its

[Hilary Benn]

role in the planning legislation development consent process will be set out in primary legislation through amendment to the Planning Act 2008.

One very important point raised in the other place concerned expertise in marine science and the importance of access to data, which goes back to the point made by the right hon. Member for Wokingham (Mr. Redwood). Marine science and research is very important as it is the basis on which we make and will make so many of our decisions affecting the seas, and it will have a crucial role to play in enabling the MMO to make the best decisions possible. For that reason, we will ensure that the MMO has access to the best quality expertise, which is why the Bill now requires the MMO to appoint a chief scientific adviser.

Mr. Roger Williams (Brecon and Radnorshire) (LD): There is concern, however, that the MMO will not have enough resources and manpower to carry out this very challenging work, and to be the champion of the seas that we all want it to be.

Hilary Benn: The Marine and Fisheries Agency has roughly 100 staff at head office and 100 out in the coastal offices, but the MMO will have 240 to 250 staff, so that is an increase. Of course, we will keep the number under review as the MMO seeks to take up the responsibilities that the House will, I hope, place on it by agreeing to the Bill.

Part 2 and schedule 4 set out the UK marine area, which is used in subsequent parts of the Bill to define where certain activities may take place. Part 2 also allows for an exclusive economic zone to be designated and amends the Government of Wales Act 2006 to insert a definition of the Welsh zone. Further functions in relation to fisheries matters may then be transferred to Welsh Ministers by an Order in Council. That provision will bring Wales into line with Scotland and Northern Ireland.

Albert Owen (Ynys Môn) (Lab): The MMO will have additional resources, but where measures are devolved to the Welsh Assembly Government, will the additional resources be handed on to that Government, so that they can carry out the work? There is concern in Wales that there will be duplication, and that instead of having a one-stop shop for licences, as is proposed, there will be gold-plating by the Welsh Assembly Government.

Hilary Benn: Matters that fall within the purview of the Welsh Assembly Government are for the Welsh Assembly Government, as my hon. Friend will know. It is for them and the other devolved Administrations to decide how they will use their resources, but the MMO will be available, as a source of expertise, to those who want to make use of its knowledge. The aim of the one-stop-shop approach is to try to make the process more streamlined and more sensible for those who seek to undertake development in the seas. That is why the Bill, quite uniquely, has managed to draw a wide range of support, both from those who are passionate about protecting biodiversity and the wonders that lie beneath our waters, and from those who are trying to earn a living from the seas. That goes back to the point about the balance that the Bill seeks to strike.

Mr. Hugo Swire (East Devon) (Con): Does the Secretary of State not agree that more could be done in the Bill to address the issue of ship-to-ship transfer, and incidents such as that involving the Napoli in my constituency, in areas that are extremely sensitive? Why has he not adopted the European idea of having places of refuge that can be taken into account when such accidents happen?

Hilary Benn: As I am sure the hon. Gentleman is aware, the ship-to-ship transfer regulations are currently under consultation in respect of the relevant Department. That would seem an opportunity to pursue the important point that he raises about making sure that the regulations are fit for purpose.

Part 3 and schedules 5 and 6 will introduce a new system of marine planning which is designed to help us to manage the competing uses of the sea. It will help public authorities and those using our waters to co-ordinate what they do, while enabling the Government to insist on a sustainable approach. A marine policy statement will be prepared and agreed by the UK Government and the devolved Administrations, setting out policies and priorities for the whole UK marine area. Since the Bill was first introduced, we have clarified the process for scrutiny of the draft MPS because we believe that it is important that all UK legislatures have time properly to consider it. After full consultation with everyone who has an interest, a series of marine plans will be prepared that will apply the policies in the MPS locally. Marine plan authorities will have to report to Parliament every six years on how they have used their powers, and on their future intentions. That will allow a clear picture of progress on marine planning to be available to all of us.

Part 4 and schedules 7, 8 and 9 will introduce a simplified, fairer and more transparent licensing system to permit activities in our seas and to set out any appropriate conditions that are needed to protect the environment or human health, or to prevent interference with other users of the sea. That will replace the current licensing and consent controls. The changes are intended to provide greater certainty to operators about the timing and outcome of licence applications and will make it easier for licensing authorities to make decisions that are consistent with the marine policy statement and the marine plans. They will also provide a wider range of enforcement options; taking people to court will not be the only sanction available.

Lembit Öpik: I am grateful to the Secretary of State for coming back to the general concern that I raised earlier. He may want to write to me on this rather technical question. Could people who are involved with extractive and other potentially damaging activities that take place in areas that in the Government's judgment should be protected use the mechanism that he mentions to make their case clear? Can they be confident that the considerations that he mentions will be balanced against economic considerations in a reasonable way?

Hilary Benn: I will happily write to the hon. Gentleman in response to his point.

The Bill also tightens up the procedures for dealing with harm caused by licensing offences and the rules governing putting things right when damage has been caused. We have placed a clear duty on the marine licensing authority to notify local authorities of applications

they receive for activities in their areas, and that will be welcomed. The Bill also ensures that the order-making power covering exemptions for activities that will not need a marine licence will be subject to the same principles that licensing authorities must have regard to when determining licensing applications.

Part 5 and schedules 11, 12 and 13 deal with nature conservation—

Ms Sally Keeble: As my right hon. Friend knows, my constituency, although about as far from the sea as one can get in the UK, has a keen interest in environmental issues. People are concerned that the network of marine conservation zones should be comprehensive and allow for the proper movement of marine wildlife. In addition, will inland areas be consulted about the development of the marine plans, because people in those areas have a real interest in protecting the marine heritage and environment—they enjoy and benefit from it as much as everyone else does?

Hilary Benn: I am keen that anyone and everyone who has an interest has an opportunity to express a view during consultation on carrying through the provisions of the Bill. Even if my hon. Friend's constituents live a little way from the sea, they have exactly the same interest in ensuring that the aims of the Bill are achieved, and I would welcome their views alongside others.

The Government are committed to protecting biodiversity, which is why the Bill will put a clear duty on the Secretary of State, Welsh Ministers and Scottish Ministers to designate marine conservation zones. The powers and duties in the Bill replace, and greatly improve on, the current power under the Wildlife and Countryside Act 1981 to designate marine nature reserves, and existing marine nature reserves, such as Lundy and Skomer, will automatically become marine conservation zones.

The designation of these protected areas is designed to safeguard rare, threatened and representative species of plants and animals, and allow the recovery of some areas to a more natural state. The zones will be designated on the best available scientific evidence, but as we have already discussed, the Secretary of State may also take into account the social and economic consequences of site designation. This part of the Bill is all about creating an ecologically coherent and well-managed network of marine protected areas. This will include marine conservation zones as well as European and Ramsar sites, and sites of special scientific interest. Following debate in the other place, Ministers will now have to lay a statement setting out the principles that will underpin this network. This statement will show how we intend to create that ecologically coherent network of marine protected areas for the UK.

Andrew George (St. Ives) (LD): There is considerable consensus on this Bill, as the Secretary of State has said, but he will be aware that several campaign organisations have made it clear that they would like to see the provisions on the designation of marine conservation zones enhanced by allowing for the designation of highly protected areas within those zones. That may be an issue for debate in Committee, but I would appreciate his comments on why the Government are resisting that proposal.

Hilary Benn: The simple reason, as I tried to explain earlier, is that the Bill in its current form gives the Secretary of State the ability to do precisely what the hon. Gentleman and the campaigning organisations have requested. The flexibility of the provisions means that we can have highly protected areas—which would mean saying "nothing can happen here", as I said earlier—and we can fit the restrictions placed on an area to the objective that we are trying to achieve. The statement that will now have to be laid will enable Ministers to set out clearly the principles that will underlie the taking of decisions about marine conservation zones. Those, and the changes that have been made in the other place, are all about responding to the point that has been made, and the Bill is in the right place as far as achieving that objective is concerned.

Part 5 will not only fulfil the UK's commitment under the convention for the protection of the marine environment of the north-east Atlantic—OSPAR—but make progress on meeting our requirements under the marine strategy framework directive.

We are also working with Natural England and the Joint Nature Conservation Committee on four regional projects throughout England, bringing together local industries, fishermen and wildlife groups. Those will play an important part in identifying potential marine conservation zones and ensuring that all stakeholders have a chance to express their views.

The Bill also puts new duties on public authorities to further the conservation objectives set for marine conservation zones. For example, they should not authorise activities or development that carry a significant risk of hindering these conservation objectives, thus providing better protection. There will also be powers for the MMO to make byelaws and interim byelaws to protect sites, and potential sites, from otherwise unregulated activities that may cause harm—that is a power to act. A general offence is also included to deal with acts of deliberate and reckless damage to a marine conservation zone.

Barry Gardiner: Will my right hon. Friend give way on that point?

Hilary Benn: I will make some progress, if my hon. Friend will forgive me, since I gave way to him earlier. Many Members want to speak.

Part 6 and schedule 14 will replace sea fisheries committees with new bodies, which will be called inshore fisheries and conservation authorities in England. They will have a duty to manage sea fisheries, balancing socio-economic benefits with protection of the marine environment. They will have more money and strengthened powers, while keeping local involvement in decision making. IFCAs will be very different from the sea fisheries committees that they replace, because, significantly, they will have a new duty to protect the marine environment and promote its recovery from the effects of sea fisheries exploitation. In Wales, Welsh Ministers will take on responsibility for inshore sea fisheries management.

Mr. David Jones (Clwyd, West) (Con): Has the Secretary of State noted the concern expressed by the Wildlife Trusts of Wales and similar conservation bodies that the IFCA model does not apply in Wales and that consequently the powers are centralised in the hands of Welsh Ministers without any duties being expressed and without any scrutiny on the part of the Welsh Assembly?

Hilary Benn: It is not for us to put such duties on the Welsh Assembly Government. It is a matter for them to determine. We will clearly be looking for co-ordination. On devolution, when the Bill was published in draft one of the principal concerns expressed by those who scrutinised it was whether all the bits would fit together. We have worked very hard—I pay tribute in particular to my hon. Friend the Member for Chatham and Aylesford and to Ministers in the devolved Administrations for approaching the Bill in the right spirit and saying, "Yes, we will come together to make it work in a coherent fashion"—so that the Bill before us today does that.

Part 7 and schedules 15 and 16 amend legislation relating to marine fisheries, including the Sea Fish (Conservation) Act 1967 and the Sea Fisheries (Shellfish) Act 1967, to provide new powers to regulate fishing. They also give new and more flexible powers to the Environment Agency to conserve and manage those fisheries.

Part 8 and schedules 17 and 18 will provide for the appointment of marine enforcement officers and powers to enforce licensing, nature conservation and sea fisheries legislation. In addition, further powers are provided for marine enforcement officers, covering inspection, seizure, retention and release of fish and gear. Those powers also contain provision for an administrative penalty scheme for domestic fisheries offences. Enforcement officers will also be able to investigate suspected nature conservation or licensing offences in their area of jurisdiction.

Before I turn to part 9, I think it right to inform the House that I am the part owner of a small piece of land on the coast in Essex. In drafting this legislation, I have delegated to my ministerial team all questions that might be relevant to my potential interest.

Part 9 and schedules 19 and 20 will extend recreational access to the English coast and create, as far as possible, a continuous route for walkers around the coast, and recreational space associated with the route. Natural England will be charged with making that happen. The Bill will also enable the Welsh Assembly to make similar provisions for the Welsh coast.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am grateful to the Secretary of State for giving way on that point. The 646 Members of this House will have about 200 dogs between us, if we share out the 7.3 million British dogs, and we will be walking them on the coastal footpaths from time to time. Does he understand the concerns of farmers and landowners, and particularly of those who have livestock near the coastal path or in the spreading room around it? We need a publicity campaign to spell out the responsibilities of dog owners and the rights of farmers and landowners to protect their livestock so that the two come into conflict as rarely as possible.

Hilary Benn: I absolutely acknowledge that point and that is why the provisions in this part of the Bill try to strike a fair balance between the interests of the public, who want to be able to walk the coastal route, and the interests of landowners. That is why we clarified the rights of landowners, gave them more say in developing the route and included a right for objections to be heard. We have also placed a duty on the Secretary of State to lay before Parliament a copy of Natural England's scheme, clarifying how it will deal with the route around estuaries and providing more involvement for local authorities.

Mr. Gordon Marsden (Blackpool, South) (Lab): On the specific point about part 9 and access to coastal paths and beaches, which I greatly welcome, may I ask my right hon. Friend for reassurance? My hon. Friend the Member for North-West Leicestershire (David Taylor) mentioned the interests of dog walkers, and several of my constituents are concerned that the Bill might enable local authorities to put additional controls on dog walking on coastal paths and such areas. Will my right hon. Friend assure me that nothing in the Bill will extend the existing powers of local authorities in that respect?

Hilary Benn: We should consider that in Committee, and I am happy to give that assurance to my hon. Friend and any Members who want to raise the point.

Mr. Graham Stuart (Beverley and Holderness) (Con) *rose—*

Rob Marris (Wolverhampton, South-West) (Lab) *rose—*

Hilary Benn: I shall give way two more times, then I shall bring my remarks to a close.

Mr. Graham Stuart: Will the Secretary of State tell the House why he is so set against compensation for landowners who see the financial value of their direct interest diminish?

Hilary Benn: I do not think that it is appropriate, but I hope that the hon. Gentleman will acknowledge that we have recognised landowners' interests in the objection mechanism that is now in the Bill as a result of discussions in the other place.

Rob Marris: Will my right hon. Friend say something briefly about equestrian access, where there is a difficult balance to be struck?

Hilary Benn: There is indeed. I have no doubt that that is an issue that we will also consider in Committee. In the end, the whole House has an interest in getting a pragmatic solution in this part of the Bill that takes account of everybody's interests but, at the same time, tries to ensure that more of our coastline can be enjoyed by all of us.

Part 10 and schedule 21 amend legislation in relation to Natural England and modify the regime governing harbours set out in the Harbours Act 1964. It also introduces navigational controls into the Energy Act 2008, in lieu of those currently contained in the Coast Protection Act 1949. Finally, Part 11 and schedule 22 cover procedural issues and definitions connected with earlier clauses.

As I have said, many Members want to speak, so I will to draw my remarks to a close. The Bill fulfils two manifesto commitments, but it is the determination of those who campaigned for it, the skill of those who drafted it and the views of those who have shaped it that have brought us to this historic point. We now have the wisdom, perhaps, to understand that nature's gifts are not inexhaustible. We need to balance the demands

that we place on our seas and to do so in a way that allows us to generate energy, to simplify and streamline regulation, to improve marine and fisheries management, to protect the natural world and to provide us with greater access to it. It happens to have fallen to us—this generation—to act to protect our seas and the wonders that lie beneath them while we can. That is what this Bill does, and I commend it to the House.

5.58 pm

Nick Herbert (Arundel and South Downs) (Con): The American poet Walt Whitman once described the sea as "a continual miracle". His description captures both the beauty and the importance of our marine environment. The waters surrounding our island contain a rich and diverse collection of species. Indeed, our seas contain double the number of animal groups found on land. It is estimated that more than 44,000 different types of plant and animal—about half the UK's biodiversity—live in our seas. They are home to 22 marine mammal species, such as minke whales and bottlenose dolphins, and 300 species of fish, which include different varieties of seahorse and basking sharks. However, the seas are not just crucial for marine creatures. They are of the utmost importance for people, too, performing the vital tasks of absorbing damaging greenhouse gases, regulating our climate and producing oxygen for us to breathe.

It must also be recognised that many people enjoy the benefits of the marine environment through a variety of leisure and sporting activities. The oceans are an important resource for food, and an enormous potential source of energy—provided, of course, that we harvest such resources sustainably.

There can be no doubt that the condition of the marine environment is of great importance to the public. In a 2005 survey conducted by the National Trust, two thirds of respondents said that visiting the seaside or coast was important to their quality of life. In 2007, the wildlife trusts produced a poll showing that 94 per cent. of people believed that the health of the marine environment was important to them, but the same survey also revealed public concern about the decline in fish stocks in our seas. That is one of the most pressing challenges facing the marine environment. Around 70 to 80 per cent. of the world's marine fish stocks are fully exploited, over-exploited, depleted, or recovering from depletion. It is predicted that the world will run out of seafood species that can be fished by 2048.

The picture is similar for UK waters, as fish stocks have greatly decreased over recent decades. In 1956, the British distant water fishing fleet returned to shore with 8.36 million tonnes of fish. By 2007, the whole UK fleet landed only 600,000 tonnes.

The Secretary of State referred to the recently released film called "The End of the Line", which highlights the damaging impact of over-fishing on marine ecosystems, and the harmful effects of the common fisheries policy in particular. I pay tribute to the efforts of Charles Clover in raising public awareness of that hugely important issue. Reform of fisheries policy is essential, but we also need to focus on two other great challenges facing the marine environment.

The first and most important challenge is climate change. As I mentioned earlier, our seas perform the vital task of absorbing harmful greenhouse gases. The world's oceans absorb more than a quarter of the carbon dioxide generated by the planet, but there are concerns that the amount of CO_2 that they are soaking up is decreasing. In 2007, scientists from the university of East Anglia showed that CO_2 absorption in the north Atlantic halved between the mid-1990s and the early part of this decade. There are fears that, if the oceans become saturated with CO_2 and are unable to absorb any more, that could lead to an increase in global warming.

The Marine Climate Change Impacts Partnership has highlighted some of the effects of climate change on the marine environment. It has stressed the

> "growing evidence that the scale of impact of climate change on marine waters around the UK is becoming sufficiently pronounced to have a noticeable effect on sea bird populations."

Rising sea temperatures brought about by global warming have led to increased acidity in our oceans and seas. In the last 200 years, ocean acidity has increased by 30 per cent., a much quicker rate than at any time in the previous 65 million years. That has caused considerable damage to coral reefs, which provide food and shelter for marine species.

To mitigate climate change, there is a pressing need to improve the amount of energy generated from renewable sources. The Government missed their 5 per cent. target in 2003, and they have admitted that they will miss their 2010 and 2020 targets to generate, respectively, 10 and 20 per cent. of electricity from renewables. If we are to have any hope of meeting our targets and developing our capacity to generate green electricity, offshore wind must play a bigger role. Our proposal for a network of marine energy parks would greatly increase that capacity, and address some of the current infrastructure problems that stand in the way of greater progress. There is no reason why such parks, if correctly sited, could not coexist with the marine conservation objectives set out in the Bill. In many cases, indeed, offshore wind farms that prevent the catching of fish can serve as de facto no-take zones.

The second challenge is pollution, and the WWF has estimated that 3 million tonnes of oil each year end up in the seas and oceans around the world. Shockingly, a third of the total is pumped out from tankers cleaning their tanks before receiving a new load. Although oil spills are rare, their consequences are horrific. In 1996, the tanker Sea Empress was holed below the water line as it entered an estuary off the Pembrokeshire coast, spilling 72,000 tonnes of oil into the sea. That resulted in the deaths of thousands of sea birds and the contamination of 120 miles of coastline.

There is also concern about the growing problem of discarded plastic items such as nets, line and containers. The United Nations Environment Programme estimated in 2006 that there are 46,000 pieces of floating plastic in every square mile of ocean. According to the WWF, this form of pollution is tragically thought to kill about a million seabirds and 100,000 whales, seals and dolphins every year. Here in the UK, the Marine Conservation Society's recent Beachwatch report found that litter on Britain's beaches is at its highest levels since records began in 1994. Over a single weekend last September, more than 5,000 volunteers from the society picked up 385,000 pieces of litter from beaches in the UK. The most common items were pieces of plastic.

[Nick Herbert]

So we on this side of the House recognise the pressing need for a Bill that faces up to the challenges before us and ensures that the marine environment is protected for future generations. When the Secretary of State published this Bill last year, he proclaimed it as "groundbreaking legislation", but it has taken a long time to break the ground. It is now eight years since Tony Blair said that his Government were

"launching measures to improve marine conservation here and abroad".

The Labour party's 2001 manifesto promised action. There was a consultation in 2002—predictably entitled "Seas of Change"—but another two years passed by, until the then Prime Minister said that

"there are strong arguments for a new approach to managing our seas, including a new Marine Bill."

Despite those "strong arguments", however, the new approach consisted of plans for a new Marine Bill in DEFRA's five-year strategy, and yet another manifesto commitment. Another two years elapsed before proposals for a draft Marine Bill were included in the Queen's Speech of November 2007. Finally, the Bill was introduced in the other place in December last year.

The Secretary of State told the Joint Committee on the draft Bill that we have waited

"five million years for a Marine Bill".

Of course we have not, but it certainly feels like it. Throughout this time, while the Government delayed, we on this side have pushed for a marine Bill. Indeed, my hon. Friend the Member for Uxbridge (Mr. Randall) proposed a Bill some eight years ago that would have greatly increased the protection offered to the marine environment. *[Interruption.]*

Mr. Graham Stuart: The Ministers who are here today are to be congratulated on introducing this Bill. However, it does them no good, and this House no service, for them to shake their heads and to try to interrupt my hon. Friend when he makes the reasonable point that all hon. Members interested in this matter are disappointed at how long it has taken to bring the Bill forward.

Nick Herbert: I agree: what is the point of the 2001 manifesto commitment if it is not honoured? I was simply making the point that the Bill has been delayed and that there is considerable concern among conservation bodies that it should now get safely on to the statute book, because the measures that it contains are urgent and necessary.

As my hon. Friend the Member for Uxbridge said back in October 2001 at his Bill's Second Reading:

"At least half of the United Kingdom's biodiversity is found in the marine environment, but existing laws do not adequately address its protection and management...For too long, the marine environment has been the Cinderella of wildlife conservation—a case of out of sight, out of mind." —[*Official Report*, 26 October 2001; Vol. 373, c. 527-528.]

What a pity it was that the Bill ultimately ran out of time in the other place. However, better late than never, we now have this Bill before us.

My criticism over the delay, does not extend to the other place, which scrutinised a complex Bill thoroughly. It is fair to say that much of the "heavy lifting" of the Bill has been done already. The format and objectives of the proposed marine management organisation, the functioning of the proposed marine conservation zones and the process for establishing the coastal route have all been markedly improved, but there remain a number of outstanding issues of concern.

The core of the Bill is the proposed creation of the MMO. We support that proposal, as there is a genuine need for a co-ordinated management of the marine environment but, as the wildlife trusts have said,

"this will be a very important body....It will need to be a strong organisation and will take the lead on the implementation."

We need to ensure both that the MMO has adequate powers to fulfil its important role, and that it is accountable for how it uses those powers. As Lord Taylor of Holbeach, who did so much to improve the Bill in the other place, said:

"The MMO will be a powerful body with a broad remit of functions and a high-profile central objective. It is therefore important that it is seen to be as transparent as possible." —[*Official Report, House of Lords*, 12 January 2009; Vol. 706, c. 1070.]

We are therefore pleased that a duty has been added to the Bill to require the guidance relating to the sustainability criteria to be consulted on and laid before the House, and that these criteria have been strengthened.

Minsters also accepted calls to improve the sustainability aspect of marine planning statements through a requirement to carry out an appraisal. Sustainability must be at the core of our approach to the marine environment, and we are pleased that the Bill now reflects this.

It is also welcome that clause 2 now contains a specific reference to the need for decisions taken by the MMO to be based on scientific evidence. As the UN Food and Agriculture Organisation recently reported, it has been the lack of scientific evidence guiding fisheries policy around the world that has done so much to damage fish stocks and the wider marine ecosystem. We welcome the amendments to ensure that a chief scientific adviser will be appointed to lead the MMO in that area, as well as in further marine science more generally. Those requirements will be important in ensuring the best possible protection for the marine environment.

An outstanding issue that has not been adequately resolved is the relationship between the MMO and the Infrastructure Planning Commission. As the House will be aware, the Opposition did not support the creation of an infrastructure planning commission, principally because it would embody a democratic deficit, and it is our intention to replace any such commission with a speeded-up planning process, in which the Secretary of State remains ultimately responsible and accountable to Parliament for decisions on controversial applications.

In the meantime, with the formation of the IPC and its remit in the marine sphere, it makes little sense to create an organisation such as the MMO, which should be the prime delivery body for managing the marine environment, without giving it control over all relevant development. Given the potential impact of some development at sea on the operation of the MMO, it seems wrong merely to require developers to consult the organisation about proposed developments while the final decision rests with the IPC. The Government need to explain why they are so keen that planning applications in the marine environment should be adjudicated by the IPC when the MMO, with its marine experts and scientists, will be most in tune with the impact of development at sea.

We have concerns about the status of the proposed marine conservation zones. The WWF has described them as

"a vital management tool to address the threats to marine biodiversity."

They offer an opportunity to make a lasting improvement to the marine environment, but they must have enough flexibility with regard to designation and restriction to ensure that they can be successfully designated and enforced, and that real ecological benefits accrue.

As Wildlife and Countryside Link has highlighted, it is essential that the Bill does not repeat some of the weaknesses of the Wildlife and Countryside Act 1981 in its creation of marine nature reserves. Since that Act only three small reserves have been created, including Lundy island, which I had the pleasure of visiting a few years ago. According to the wildlife trusts, a complete fishing ban around Lundy in 2003 resulted in dramatic changes, noticeably an increase in the abundance of shellfish.

The experience of Lundy and of international examples in New Zealand and Australia shows the benefit of designation both to wildlife and to those who use the sea commercially. Fish are given the opportunity to recover and abundant stocks spill out of the no-take zones, improving catches locally. However, such levels of protection, which include outright fishing bans, are clearly the most exceptional form of designation; we need to achieve the protection of larger areas of the seas with a flexible and ecologically coherent network of conservation zones.

Mr. Jenkin: Can my hon. Friend enlighten the House a little about the debate in the other place? The Minister there said that

"our intention is to designate marine conservation zones for conservation purposes and not for fisheries management."—[*Official Report, House of Lords*, 15 December 2008; Vol. 706, c. 727.]

Given that indiscriminate fishing does so much damage to the marine environment, is that statement not a bit of an illogicality? Are the Government trying to avoid a collision between the Bill and the common fisheries policy?

Nick Herbert: Depending on the conditions set for the zones, one benefit would be to ensure sustainable fishing, but I shall deal with the specific concern about the common fisheries policy, because without reform of that policy we shall not achieve the sustainable management of our fisheries that we want. In that sense, I agree with my hon. Friend's point.

Many of us will have received e-mails from constituents calling for a number of changes to the Bill. Some conservation organisations are particularly concerned about the lack of ability to create highly protected zones to sit alongside marine conservation zones, and about the requirements of clause 117(7) to consider the economic and social consequences of designating an area—the issue that my right hon. Friend the Member for Haltemprice and Howden (David Davis) raised. Such issues will need to be probed further in Committee, and the Secretary of State will need to explain why economic and social consequences are to be taken into account in the designation of the zones.

It is our belief that the zones should operate as flexible areas, with degrees of protection that are sufficient, but provide a sensible balance between sustainable social or economic activity and conservation. For example, the designation of a zone with an area protected for its unique marine geology might be entirely compatible with the use of leisure boats or jet skis, but it would clearly not be appropriate to permit dredging. Gradations of protection within zones are entirely possible and should be achieved through science-based decision making. Such flexibility means that there would be plenty of scope for the assignment of highly protected zones in appropriate areas, without the creation of separately designated "highly protected areas", which would create a two-tier system.

The creation of an ecologically coherent network is a significant issue. It would, for example, ensure that protected marine areas are linked so that species can move between areas with the right habitat for different stages of their life cycle. A number of leading conservation bodies have called for such a network and much time was devoted to the matter in the other place. We are pleased that the Government accepted the need for greater clarity and tabled amendments to require the appropriate devolved and domestic authorities to set out the principles to be followed in contributing to such a network, but we need to hear more about how it will be set up.

We all want our marine environment to be properly protected, and it is important that those who abuse it, or recklessly damage the seas through pollution or neglect, are held responsible, so we are grateful to the other place for helping the Government to understand the importance of ensuring that the offence of causing reckless damage within a marine conservation zone was added to the Bill.

Mr. Roger Williams: My reading of the Bill suggests that if someone does damage to a marine conservation zone or a highly protected area, the defence that they were fishing is almost absolute, even though with modern fishing boats they know exactly where they are and where the marine conservation zones are. Does the hon. Gentleman think that is something we should address during our consideration of the Bill?

Nick Herbert: That point needs further examination and perhaps the Minister will reply to it. It would depend on the level of protection afforded in the marine conservation zone; different levels can be afforded to different parts of the zone.

On coastal access, although we support the principle of a coastal path, we are keen to ensure that the scheme is workable and respects the interests of landowners. We are pleased that Ministers made a number of important concessions in the other place. It is right that local authorities now have a role in the preliminary stages of the scheme to ensure that local issues are properly accounted for, the appropriate infrastructure is available and local residents are properly engaged. Equally important is the procedure in place to deal with the concerns of landowners and other people with property rights. Conservative peers fought hard to ensure that an adequate appeals process, or review, was set up to address disputes, should they arise, over the location and format of the route, and I am pleased that Ministers accepted that point.

Despite those concessions, a number of outstanding issues relating to the coastal route still need to be addressed by the House to ensure a workable, cost-effective and deliverable scheme.

Mr. James Gray (North Wiltshire) (Con): Given that two thirds of the coast is already open to walkers, does my hon. Friend see a real need for access to the entire coast at a minimum cost of £50 million—probably more? At a time such as this, can we really justify forcing through a path that apparently walkers do not actually need?

Nick Herbert: I think my hon. Friend would accept that there is considerable demand from organisations concerned about the countryside for a coastal path for the parts of the country that are not already covered, so that the coast can be enjoyed in places where that is not possible at present. The Bill is enabling legislation; no timetable has been set and of course the costs will have to be taken into account.

Julia Goldsworthy (Falmouth and Camborne) (LD): Does the hon. Gentleman agree that the creation of the south-west coastal path has led the way in developing best practice? That may indicate that the best negotiations and the greatest flexibility happen locally and that primary legislation may undermine that position.

Nick Herbert: I have a lot of sympathy with the hon. Lady's point. Obviously the path in her part of the world was designated under different legislation, but the voluntary approach is a wise one. We have been concerned to ensure that localism is built into the provisions so that there is proper local consultation and involvement. The success of the path in Cornwall is an indication of its significance for tourism and its economic advantages, as well as the costs to which other Members have referred.

David Taylor: Will the hon. Gentleman give way?

Nick Herbert: I shall draw my remarks to a conclusion, if I may.

The Bill goes some way to addressing a number of key challenges facing the marine environment, but we need to ensure that the European Union plays its role. Marine conservation zones must be respected by all who use our waters but, without EU co-operation, zones beyond 12 nautical miles will not be enforceable for European fishing vessels. This will not only disadvantage our fishermen, but will undermine the purpose behind the zones.

We must also recognise the huge and frequently damaging impact that the current operation of the common fisheries policy has on the marine environment. The recent publication of the Commission's Green Paper has provided a unique opportunity for radical reform to ensure that the common fisheries policy works better for our fishermen and for the environment. Commissioner Borg himself has called for wholesale fundamental reform and it is long overdue.

Barry Gardiner: Does the hon. Gentleman agree that although clause 141(4) proposes that

"an act done for the purpose of, and in the course of, sea fishing"

should be a defence against the offences in clause 140, that is already protected under the CFP through the exclusive economic zone, but up to the 12-mile limit—

Madam Deputy Speaker: Order. The hon. Gentleman must be brief. Many Members want to contribute, and there is a time limit on Back-Bench speeches. Will the hon. Member for Arundel and South Downs (Nick Herbert) respond?

Nick Herbert: The hon. Member for Brent, North (Barry Gardiner) had better raise his points in his own speech, and the Minister will reply.

It is vital that we do not underestimate the importance of the marine environment. The Bill represents a once in a lifetime opportunity to secure the protection that our seas need. We have waited a long time for it, and Conservatives are pleased that after many years of delay, we are close to delivering legislation that will help to safeguard our seas for future generations.

The sea has always been critical to the health and prosperity of our islands, but around the world the marine environment faces challenges that we might not have imagined 50 or perhaps even 20 years ago. It is important that in creating laws to govern how we manage and safeguard our seas, the right balance is achieved. As a living asset, our seas require the right level of protection for marine ecosystems and the biodiversity that they contain, but those laws must also allow a sustainable environment for fishing and other activities and the communities that rely on them. We hope that the Bill is able to strike the proper balance so that we can protect and improve the marine environment now and for the future.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. I remind all right hon. and hon. Members that Mr. Speaker has imposed a 10-minute limit on Back-Bench contributions.

6.22 pm

Mr. Elliot Morley (Scunthorpe) (Lab): I very much welcome the Bill. Although it is true it has taken some time, it is a complicated measure and I appreciate that consultation has been necessary, particularly with the devolved Administrations. That should be taken into account. We must get the Bill right. It deals with vital issues of marine management and coastal access, and I warmly welcome those measures.

My right hon. Friend the Secretary of State will be aware that although improvements have been made to the Bill, for which he and his team should take great credit, NGOs have nevertheless expressed reasonable concerns that can be addressed. They could be summarised as concerns about legitimate socio-economic activities in our seas and the equally legitimate need to preserve a vulnerable and sensitive ecosystem, of which very little is protected. The Government should be congratulated on the steps they took to introduce marine nature reserves and to protect areas such as the Darwin mounds in international waters, which is a first for the European Union. The Government led the way in that, and the Bill similarly leads the way.

Unfortunately, our coasts and coastal waters are crowded places where activities such as aggregate dredging, offshore renewable energy, oil and gas, the fishing industry and many others take place, so the right balance must be struck. A consistent approach is needed, and the designation

of SSSIs is part of that. On land, the criteria for the designation of a SSSI is purely scientific, as we have heard, although the management takes into account an element of socio-economic activity. There is a strong argument for consistency in the designation of marine conservation zones.

It has further been argued that there ought to be a differential between marine conservation zones in terms of the most vulnerable and sensitive areas. That suggestion is worth considering.

Clause 117(7) makes it obligatory to take socio-economics into account. I do not criticise the fact that the Bill recognises that there are a number of different demands on our seas, and I do not think it is impossible to strike the right balance in respect of offshore wind farms, for example. An offshore wind farm could form an important part of protecting a sensitive marine conservation area. The two could be complementary.

I worry that if we do not get it right, the Government could be making a rod for their own back, and a rod for the marine management organisation. Any organisation that feels that it is facing restrictions will seek to use the clause to stop the designation of marine conservation zones or to weaken and undermine them. That needs to be looked at.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Does my right hon. Friend therefore agree with the WWF that the socio-economic consequences of designation should be considered only where the desirability of designating two or more areas is equal and will not compromise the ability to achieve an ecologically coherent network? That seems a sensible way of resolving the tensions he is discussing.

Mr. Morley: Indeed.

I know that the wording of the Bill, as was pointed out, is "may have regard", but I return to the point that that opens the door to protracted legal wrangling. It is more important to make sure that the Bill is effective.

I am concerned about the wording in relation to the need for the MMO to have a strong sustainable development duty. The Government should be congratulated on implementing, in a range of bodies and organisations, a clear duty to promote sustainable development. The Bill refers to

"the objective of making a contribution to the achievement of sustainable development",

which is rather weak wording. The wildlife trusts think that that should be replaced with a duty "to further sustainable development," which implies a much more proactive approach. That is worth taking into account.

Another issue raised in the debate is the important role of the Infrastructure Planning Commission. That has an important role in major developments in our offshore waters, but I am surprised that the marine management organisation is not a statutory consultee of the IPC. That would be a simple amendment and should be considered.

The Bill removes from Natural England its decision-making power for the designation of sub-tidal parts of SSSIs, and transfers that power to the Secretary of State. I have every confidence in the present Secretary of State, but, to be consistent, Natural England should retain responsibility for the designation of SSSIs in inter-tidal zones. That needs to be re-examined.

Those points are fairly straightforward, but they are important and a range of organisations have written to right hon. and hon. Members echoing them. I am quite sure that many constituents will have contacted Members, as many have contacted me, not only to support the Bill and the Government but to ensure that we get the Bill right and address in Committee some of the points I have mentioned, many of which have already been addressed in the welcome Joint Committee that performed pre-legislative scrutiny. It was a very useful part of the process, and, although the pre-legislative process adds to the time scale, we should support it more often. It makes for better legislation and involves interested organisations, many of which have given their input, expertise and experience.

Rob Marris: Does my right hon. Friend share my surprise that, under the programme motion, a Bill of 326 pages looks like it will have only 12 sittings in Committee and one day on Report?

Mr. Morley: My hon. Friend knows as well as I do that, rather than faff around and waste an awful lot of time, Committees can focus on the important parts of Bills. I am quite sure that Committee members will be very anxious to do exactly that, and that it will receive proper and thorough scrutiny.

I very much appreciate the opportunity to contribute to the debate. I, like many Members, have been looking forward to the measure for a long time. It is important that we get it right, and the Government are genuinely trying to do so. They could take further steps, and I offer some in the spirit of constructive support, not criticism. I look forward to the measure going on to the statute book and giving our seas the long-overdue protection that they deserve.

6.31 pm

Andrew George (St. Ives) (LD): It is a pleasure to follow the right hon. Member for Scunthorpe (Mr. Morley), because he has a distinguished record, of which he can be proud, of commitment to marine conservation in and around the UK over many years, and of negotiation in Europe and internationally. I congratulate not only the Government on introducing the Bill, the campaign organisations that have been behind it for many years and many Members, but the hon. Member for Uxbridge (Mr. Randall), who many years ago promoted a private Member's Bill that certainly helped to highlight the issue.

I often describe the seas around the UK as a rather damp piece of common ground, on which there are layers of competing interests and conflicting demands. Of course, it is extremely damp, because, apart from on the coast itself, it is wet all the time. Leaving aside the brief and discordant note of disappointment that the hon. Member for Arundel and South Downs (Nick Herbert) cast, I endorse his highlighting of the many issues that I hope we will have the opportunity to debate in Committee. I hope that the Minister in Committee will be receptive to several issues that need to be probed still further and to which I shall return in a moment.

I shall illustrate my remarks with two recent events. The first event took place yesterday, off the coast of my constituency. The 18-ft vessel of four marine biologists tipped over near Land's End at the Runnel Stone when

[Andrew George]

they were setting pingers to explore the impact of certain activities on cetaceans. One of my constituents, Dr. Nick Tregenza, whom I know very well and who is, in fact, my former GP, was thrown into the water along with the three others. Fortunately, some inshore fishermen were not far away and came to their rescue, but, had the marine biologists been in the water for much longer, we would have been talking about a loss of life. The two local fishermen, Andrew Pascoe and Jesse Walter, arrived in two separate boats and took them to the RNLI lifeboat, which in turn took them to the nearby fishing port of Newlyn. Two of the biologists were taken to hospital, and one, who is ill, remains there.

I spoke to Nick Tregenza earlier today, and the moral of the story is that, although the relationship between marine biologists and fishermen is often characterised as one of perpetual conflict, over recent years they have come together, as symbolised by fishermen saving the lives of marine biologists off the coast of my constituency only yesterday. They support each other and recognise each other's position much more than they did 10 or 15 years ago, when I first entered the House.

The second event took place a year ago, on 9 June 2008, when 26 dolphins rather inexplicably became stranded on the south coast of Cornwall around the Falmouth and Perceuil area. Last month, we received a report from the UK cetaceans strandings investigation programme. Although it found that no definite cause could be identified, it drew attention to high-intensity acoustic activity from naval sonar in the region just before the event. Those two things are not necessarily connected, but Nick Tregenza, who is an expert on cetaceans, tells me that they can easily become spooked by such activity, which can affect them for a long time. We can only speculate about what happened, but today's debate has drawn attention to the activities of fishermen, who have been caricatured as the villains causing the most damage to our seas, and we need to look rather wider. Fishermen are engaging much more constructively in the processes under discussion to protect the future of sustainable fishing.

Cetaceans are highly sensitive and fragile animals. Around the coast of Cornwall and south-west England, there is a small group—only 12 in number—of bottlenose dolphins, despite there being 400 miles of coastline in the area. With the exception of an 18-year period from the 1980s, bottlenose dolphins have lived in the area since time immemorial—a point that I made in a debate on 6 February 2008.

We need the Bill, because other parts of the world, from New Zealand to Canada, have similar legislation, and it is working. We are an island nation and, given our location and dependence on the sea, rather unique in Europe. Marine wildlife is in a seriously fragile state, with population decline and, in some cases, stock collapse, and there are new pressures from offshore wind, tidal and wave energy, which we knew nothing or very little about just 10 or 15 years ago—hence the need to act. Other industries are also developing, and the technology available to the fishing industry is much more powerful now than it was 20 years ago.

I want to comment on the need, in some cases, for a higher tier of protection. I also want to discuss the extent to which socio-economic consequences need to be considered in the designation and planning of marine conservation zones, the territorial extent of the Bill and its relationship with the common fisheries policy—which has already been addressed on a couple of occasions—the importance of the proper management of the inshore fisheries and conservation authorities in the 6-mile zone, and coastal access.

The hon. Member for Cleethorpes (Shona McIsaac), who is no longer present, referred to the concern felt by many about the designation of the MMO and the impact that it will have on the current staff of the Marine and Fisheries Agency. I wrote to the Minister earlier in the year, and he replied on 6 February:

"There will be little practical difference for the staff in this change e.g. pensions provision should not change and MMO staff should be able to apply for Civil Service posts."

However, concerns remain despite the reassurances that I have conveyed to my constituents in the sector, and it seems that there is more work for the Government to do.

The Secretary of State did not mention Finding Sanctuary, an organisation that was established to identify potential candidates for marine conservation zones. I commend the work of Finding Sanctuary and the other bodies that are already doing that work. In an intervention on the Secretary of State's speech, I spoke of the importance of providing more protection for particularly fragile, vulnerable areas within MCZs. Notwithstanding his reassurance, it is clear that the conservation bodies that have campaigned for legislation remain unconvinced that the Bill as it stands provides the level of protection they want.

As I have said before, it would be wrong to characterise fishermen as interested only in plundering the stocks of the sea. Let me give an example of which the right hon. Member for Scunthorpe should be well aware. Fishermen in my area have been campaigning for many years, saying "Please save us from ourselves by closing the fishing grounds in the Trevose area"—which is off the north coast of Cornwall—"during the early spring months each year." It has been done, and as a result foreign vessels have been kept out, along with the UK vessels that wanted to protect the spawning grounds off Trevose. That is already paying dividends in stock recovery.

Martin Salter (Reading, West) (Lab): It is clear that the Chamber is awash with conservationists, but our annual debate on fisheries policy is always full of Members of Parliament kowtowing to commercial fishing interests. Has the hon. Gentleman had an opportunity to read *Fishing News*, and to note the whining and wailing—excuse the pun—from the commercial sector about the prospect of the introduction of marine conservation zones? There are serious battles ahead. Does the hon. Gentleman accept that we shall have to have the courage to face down the commercial sector?

Andrew George: I think that there is a robust debate ahead, but I also think that the hon. Gentleman is falling into the trap of caricaturing fishermen when it comes to the introduction of marine conservation zones. He used the expression "whining and wailing". As I have just said, it was fishermen themselves who called for the closure of the Trevose ground. Fishermen wish to work internationally—because most agreements of this kind can be achieved only internationally—to protect the sustainability of their own industry.

Linda Gilroy: Does the hon. Gentleman agree that the present degree of co-operation between the fisheries and with conservation organisations in the south-west owes a great deal to the invest in fish programme—in which DEFRA invested about £1 million—and that some of the best practice in our islands is in the south-west fisheries area?

Andrew George: Yes. I commend the activities of the invest in fish programme, which has made a tremendous contribution. There is now a constructive debate between fishermen and marine biologists. I gave a symbolic example from as recently as yesterday, which I think demonstrates both parties' commitment to talk to and support each other.

We are taking about extremely fragile mobile stock. Skate, for example, live to the age of 100, and the males do not reach sexual maturity until the age of 11. When fish are removed from that stock, it takes a long time for the stock to recover. Off the continental shelf, orange roughy and other deep-water fish do not reach sexual maturity until the age of 30, and live well beyond the age of 100. Plundering of that stock has an immediate impact from which it takes the stock many years to recover. I hope the Minister will also bear it in mind that, in identifying marine conservation zones, we should consider the wider issues of marine artefacts, naval war graves and wrecks. As well as marine biodiversity, there is some archaeology out there.

There has already been discussion of the extent to which socio-economic consequences can be taken into account in the identification of MCZs. I think that the Government should reconsider their position on two different types of designation: designation of highly protected zones, and designation of those that represent the kind of marine environment around the United Kingdom coast. I agree with those who believe that socio-economic consequences should be put aside when there needs to be a designation similar to that of sites of special scientific interest, based purely on the vulnerability, fragility and uniqueness of the site that needs to be protected. However, I hope that if it is a case of one site versus another—a sandy-bottom versus a rocky-bottom area, for instance—the socio-economic consequences will be considered at that stage. They should certainly be brought to bear in implementing marine plans.

I said that I would refer to the territorial extent of the Bill. I have raised the issue with the Minister before. As he knows, we will have effective absolute jurisdiction and control within the 6-mile zone, particularly in regard to fishing, and will have control to a middling extent within the 12-mile zone. In answer to a question that I asked him earlier in the year, the Minister replied:

> "Beyond six nautical miles we will pursue the introduction of measures through the EU Common Fisheries Policy." [*Official Report*, 20 January 2009; Vol. 486, c. 1281W.]

It is clear that in the 6-mile zone—and particularly in the area between 6 and 12 miles where a number of other nations have historic fishing entitlements—we need to move much more quickly. We must either secure bilateral agreements with those nations and their fishing fleets or, through the European Union, secure a clear recognition within the 200-mile and median line zones that we are capable of applying the same rules to other fishing nations as to our own. This is a critical issue. I hope that the Minister will take it on board, and that we shall be able to explore it still further in Committee.

With regard to the inshore fisheries conservation authorities, the Minister already knows that I hope that he will respect the integrity of the boundaries of the current sea fisheries committees. There is a local issue with the maintenance of the distinction between the Isles of Scilly and Cornwall, for example. It is important that, in managing such issues, the isles and the county are managed distinctly, rather than being subsumed into a much larger hole.

Way back, on 28 November 2000, I had a debate in Westminster Hall with the right hon. Member for Scunthorpe on the future of the inshore fishing industry and the rather archaic legislation on sea fisheries committees. We recognised that we needed consolidating legislation to update all the regulations under which sea fisheries committees operate. I hope that the Minister will reassure me in Committee that those issues are being properly addressed.

Finally, I turn to coastal access. Of course, we welcome the introduction in the Lords of a robust appeals mechanism. There is a need for further debate about not only equestrians but dog owners in respect of wildlife considerations, particularly ground-nesting birds on the coastline. Furthermore, disabled people's access to the coastline has not been properly explored.

This is an important Bill. We have commenced with a constructive dialogue, and I hope that we can take that forward to the Committee.

6.52 pm

Mr. Martin Caton (Gower) (Lab): I am grateful for the opportunity to contribute to this debate on this important and welcome Bill. Its provisions for better protecting the marine environment and for improving access to, and recreational use of, our coastal areas are enormously significant. We can and should celebrate those provisions. In the next few minutes, I shall look at the measures being introduced to enable better marine nature conservation and the suggestions for strengthening them. I shall go on to consider the relationship between landscape and seascape, and explore how that can be addressed in the Bill. First, however, I warmly welcome the approach to devolution adopted in the Bill. As one who represents a Welsh constituency, I think that the Bill manages to provide a coherence and cohesion between England and Wales while honouring the democratic responsibilities of both the UK Government and the Welsh Assembly; my right hon. Friend the Secretary of State was completely right when he said that the bits fit.

On coastal access, I strongly support the inclusion of framework powers for the Assembly; I am sure that in due course that will lead to the creation of a complete Welsh coastal path or paths. The Assembly has already moved forward on that issue through its own coastal access improvement programme. It is right that it should build on that by consulting people and organisations concerned with the establishment and maintenance of one or more coastal paths and with securing better access to land for recreational purposes.

Mr. James Gray (North Wiltshire) (Con): Does the hon. Gentleman acknowledge that there is a fundamental difference between the coastal access that has been successfully implemented in Wales and what the Bill proposes? Landowners and farmers in Wales will be

[Mr. James Gray]

compensated for the access across their land. Landowners and farmers in the south-west, incidentally, were compensated in respect of the south-west coastal path, which was equally successful.

Mr. Caton: I accept that. There is a different approach, but the Bill includes framework powers to enable the Assembly to follow an approach similar to that in England. I note that ramblers in England are concerned that recreational users of coastal land might not have adequate input into the development of the English coastal path. I hope that that proves not to be the case.

I turn to what is in many ways the heart of the Bill: its measures for protecting the marine environment. For far too long, the marine environment has played second fiddle to the terrestrial environment, because we do not come into regular contact with so much of its flora and fauna. Furthermore, we do not see the damage that human activity sometimes inflicts under the sea, and its knock-on consequences: too often, out of sight has meant out of mind. The Bill changes that, most importantly through the creation of marine conservation zones to enable the protection of rare, valued or representative marine species and habitats and through a means to enforce that protection.

However, like other Members, I have been impressed by the powerful case for strengthening this part of the Bill put forward by a range of environmental organisations. First, it would help only if there were a duty to designate an ecologically coherent network of marine conservation zones, with recognition of the need for connectivity between them. Secondly, before hearing the Secretary of State, I believed that there was a strong case for marine conservation zones to include designated, highly protected sites where extraction or other damaging activities would be completely outlawed. I was reassured to hear the Secretary of State say that that will happen under the Bill as it is.

Thirdly, like the non-governmental organisations and my right hon. Friend the Member for Scunthorpe (Mr. Morley), I am worried that allowing economic and social consequences to be considered when designating sites might provide a let-out clause to prevent us from establishing marine conservation zones where they are most needed. Surely the environmental importance of the site should be decisive in deciding whether it is designated. Of course, social and economic issues should be an important factor in decisions further down the line about the management of the zone, but they should not, I suggest, be a factor in the designation decision.

Fourthly, I support the call for the offence of damaging the marine conservation zone to be expanded in two ways. At present, the offence is limited to intentional damage, but reckless damage should be added. That would have the benefit of deterring recklessness at such valuable marine locations and overcome the problem of proving intent. Disturbance of sites should also be an offence. That is especially important for the adequate protection of marine mammals and sea birds, which are particularly vulnerable to disturbance.

Finally, I am attracted to the suggestion from the Countryside Council of Wales, among others, that public bodies should be required to notify Ministers when they are minded to consent to potentially damaging activity on public interest grounds. Furthermore, Ministers should have a call-in power for decisions in relation to activities that may impact on a marine conservation zone.

Anne Milton (Guildford) (Con): Does the hon. Gentleman agree with the huge number of constituents who have contacted me on this issue? They have said that we will miss an opportunity if the Bill is not strong enough, particularly in relation to marine conservation zones.

Mr. Caton: I do agree. I think that the Bill is very good, but there is potential for strengthening it. I hope that, when it gets to Committee, the possibilities will be fully explored.

Martin Salter: My hon. Friend mentioned damage. Is he aware that clause 140 makes a person guilty of an offence if they damage protected features of the marine conservation zones? Unfortunately, that is qualified by clause 141, which provides a blanket defence for any activity that can be defined as being in the course of sea fishing. Should commercial sea fishing be given that blanket defence in the context of marine conservation zones? Does my hon. Friend agree that an amendment raising that issue should be considered in Committee?

Mr. Caton: I agree. That strong point has been made by various organisations, and it should be considered in Committee.

At the commencement of the Bill's progress in the other place, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), who will reply to this debate, kindly attended a meeting of the all-party group on areas of outstanding natural beauty, which I chair. He will therefore be familiar with the points that I am about to make about the need to conserve our nationally important seascapes just as we protect landscapes through designation as national parks or areas of outstanding natural beauty.

Mr. Graham Stuart: Does the hon. Gentleman agree that the role of the Infrastructure Planning Commission in marine determinations is inappropriate and that it should be up to the marine management organisation to make decisions on all matters relating to the marine environment?

Mr. Caton: No, I do not, and I do not wish to labour that point, because I want to make my point about landscapes and seascapes.

The Campaign for National Parks, the Campaign to Protect Rural England, the Campaign for the Protection of Rural Wales, the English National Park Authorities Association, Europarc Atlantic Isles, the National Association for Areas of Outstanding Natural Beauty, the National Trust and the Welsh Association of National Park Authorities are all on record as supporting the Bill. However, they are all concerned about its lack of reference to the conservation of our finest seascapes, including the marine dimension of the many protected landscapes such as the Gower area of outstanding natural beauty in my constituency, and the absence of any mechanism for designating nationally important seascapes.

The Government accepted the term "seascape" in the high-level objectives for the marine environment published earlier this year. The definition provided is:

"An area of sea, coastline and land, whose character results from the actions and interactions of land with sea, by natural and/or human factors."

As with protected landscapes, the term embraces not only biodiversity but physical features, historic and cultural heritage and opportunities for recreation. Of course it includes scenery, but a seascape is more than just the view, as stunning as that can often be on the British coast.

In the Marine Bill White Paper of 2007, the Government stated that

"important seascapes and views from land would be considered within the marine planning process. The UK marine policy statement could include objectives describing the importance of seascapes, and views and how we wish to treat them. More detailed plans would allow us to consider seascapes and views in the context of the priorities for specific areas".

That seems to me to imply designation. However, in the other place that was ruled out because of various practical difficulties, although on Report the importance of seascapes was again acknowledged.

One possible way forward was addressed at the inquiry into the proposed South Downs national park in 2007. It had been suggested that the marine environment adjoining the south downs should be included in the national park. The inspector decided that there was no legal basis for including a marine area in an existing protected area. He regretted that, because as he said in his report to the Secretary of State:

"The available evidence convinces me that the PSDNP"

the proposed South Downs national park—

"would be enhanced if it was legally possible for the marine environment to be included."

He went on to recommend that

"consideration be given to statutory provisions that would allow marine areas...to be part of a National Park".

Hear, hear to that, and I would add AONBs as the other half of the protected landscape family. Why do we not follow that advice and look first for candidates for quality seascape designation to the seas off our many coastal AONBs and national parks, many of which owe their designation to their relationship with the sea? As I have said, this is a very good Bill, but with a bit of tweaking it can be even better.

7.2 pm

Sir Peter Viggers (Gosport) (Con): Thank you, Mr. Deputy Speaker, for giving me the chance to follow the hon. Member for Gower (Mr. Caton), whose speech was steeped in the beauty of his lovely constituency.

The Bill carries with it a great deal of hope. It is rare for me to receive as many messages from constituents asking me to support a Bill and press for it to be brought forward as I have on this one, beginning some years ago and continuing to the present day. That is not surprising, because my constituency is closely linked to the sea. Gosport is a peninsula and was originally developed as a support area for the Royal Navy. No part of the constituency is more than about 2 miles from the sea or the harbour. Boatbuilding and the sea are important to industry in the area, and marine transport is also important in the constituency. Indeed, I am one of the few people I know who went to school by boat. Leisure industries in the marine field—yachting, sailing, swimming, sailboards—are extremely important in the Gosport area, as is access to the coastal area.

The priority in the Bill must be to get the whole issue right and hand on the environment to our successor generations. Special interest groups in the coastal area, such as yachting, fishing, dog walkers and equestrian interests, have lobbied on the Bill, and their views must all be taken into account. However, the overriding priority must be conservation. It is disturbing that the wildlife trusts have said that an area of the North sea the size of Cambridgeshire is virtually devoid of life as a result of activity by the oil and gas industry. Whatever the Bill does, there must be no change to the marine environment unless it is consistent with the highest standards of conservation.

Of course, the Bill must be consistent with improving standards worldwide, starting with the UK. I am disconcerted to find that the Bill is quite complicated when it comes to responsibility in England, Wales, Scotland and Northern Ireland. I hope that it will be possible to co-ordinate activities so that it is effective across the whole UK. We must also ensure that it is effective across the whole European Union and entirely consistent with EU efforts. We must go further and ensure that all the international bodies—the United Nations and others—work together in a consistent manner to preserve our environment.

My questions to myself are whether the Bill will be effective and whether it will provide the right and necessary powers and duties. Coming fresh to the Bill and reading it through, I must say that I was not fully convinced. This is a once-in-a-generation chance to get things right, as we missed the chance to pass the Randall Bill—I see my hon. Friend the Member for Uxbridge (Mr. Randall) in his place, and he has made a notable contribution to the dialogue. However, it does not feel to me like a once-in-a-generation Bill.

The MMO will be accountable to Parliament through the Secretary of State, but it will be independent. I am not convinced that passing responsibility to an independent body is really the right thing to do. The Secretary of State must be capable of standing at the Dispatch Box and accepting responsibility for all the activities of the MMO.

Obtaining independence for an independent body is very difficult. My immediate experience of that comes from a completely different field, which is the Electoral Commission. It was set up as an independent body, but it had to be responsible to somebody. The somebody to whom it was responsible was the Speaker's Committee on the Electoral Commission, on which I serve and a number of whose meetings I have chaired. That body, accountable to Parliament, gives the Electoral Commission independence.

It is stated that the MMO will be independent, but of course Ministers will appoint the chairman, and they will appoint members after consultation with the chairman. The appointment and, if necessary, dismissal of members is not fully spelled out in the Bill, so I am not sure exactly how that would work. My preference would be to give that body rather less independence and more Government accountability. It must have the powers

[Sir Peter Viggers]

and capacity to carry through its responsibilities, and we need it to be given wide, sweeping powers with resources to match.

Looking through the Bill, we find a great many bodies for which the MMO will not actually have responsibility. It will instead have a duty to liaise with them. The consultative document states that its success

"will depend on its effective interaction with many other public bodies, including Defra, the Environment Agency, Joint Nature Conservation Committee, Natural England, the Infrastructure Planning Commission, BERR, the Marine Science Coordinating Committee, IFCAs"—

inshore fisheries and conservation authorities—

"the Crown Estate, local authorities, harbour authorities and Cefas",

the Centre for Environment, Fisheries and Aquaculture Science. There are many bodies with which the MMO will have a responsibility to liaise, and one would be happier to see it being given broader powers.

I welcome the Bill, but as it passes through its subsequent stages I hope that the approach taken will be to press for all necessary powers, facilities and budgets to be given to the MMO so that it can be fully effective in its role.

7.8 pm

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): Like everyone else who has spoken so far, I welcome the Bill. It may have been a long time coming, but it is even more welcome for that. I pay tribute to the ministerial team, who have been plugging away at it and getting agreement, particularly with the devolved Administrations. I know that it has not necessarily been too easy to achieve that, bearing in mind the idea of trying to have UK coverage while recognising that responsibilities have been devolved to Scotland, Wales and Northern Ireland.

I welcome the Bill from a constituency perspective in particular. Until the 1997 general election, I represented Pembroke, which was the county of Pembrokeshire. If we want a microcosm of why we need the MMO and why we need the licensing, the planning and the marine conservation areas, we just have to look at Pembrokeshire and its coast.

We are probably the biggest energy hub in the United Kingdom and we have one of the largest ports in the UK. We also have a coastal national park and 187 miles of completely continuous coastal path. The Pembrokeshire coast and islands were designated as a special area of conservation some years ago. We also have Ministry of Defence ranges. We depend on our coast for our massive tourist industry, as well as for the energy industry. In Skomer, which is immediately offshore, we have one of only two marine nature reserves, which is a special designation from Europe for conservation purposes, yet we also have all the other social and economic activities taking place, both recreational and industrial. Pembrokeshire is therefore a prime example of why we need the Bill.

What brought home the importance of their coast and sea to the people of Pembrokeshire was—the hon. Member for Arundel and South Downs (Nick Herbert) referred to this—what happened on 15 February 1996, when the Sea Empress ran aground and, within four days, deposited 72,000 tonnes of crude oil on my constituency. That event brought home to people how vital the coast and the seas are, not purely from a conservation point of view, but from a social and economic point of view, because for the next six months the coast and the seas around Pembrokeshire were shut down. The compensation claim, when it was finally settled, totalled more than £60 million. That shows how important maintaining and improving the quality of our marine environment is, from both a conservation and a social and economic point of view. I therefore warmly welcome the Bill.

There are new developments taking place off the Pembrokeshire coast. We have two pilot sites, one of which is for wave energy off Marloes, quite close to the Skomer marine nature reserve. Further north, in Ramsey Sound, we have a pilot scheme for developing tidal power. The MMO and the licensing procedures contained in the Bill are therefore welcome for my constituency.

Like other hon. Members, we want the Bill to work as well as it can. Opposition Members have referred to it as a once-in-a-generation opportunity. I agree with that; therefore, it is vital that we get it right. However, I want to raise a couple of concerns about the detail of the Bill.

On the marine management organisation, the Countryside Council for Wales and the Welsh Assembly's Sustainability Committee have brought to my attention their concerns about cross-border issues and the need for the Bill perhaps to require marine planning and marine statements to be done jointly, particularly in relation to the Dee and Severn estuaries. I would welcome a response from my hon. Friend the Minister to that point when he winds up. The renewable energy organisations have also brought to my attention their concerns about whether the MMO will have sufficient expertise and personnel to deal with applications for renewable energy generation below 100 MW, particularly where they involve small offshore wind generation or wave and tidal power.

I welcome the inshore fisheries conservation authorities. In the past, I have been critical of the fact that sea fisheries committees have not had the resources. I hope that they will have sufficient resources in England, bearing in mind that they are to be given wider powers, which is the right thing to do. However, I am concerned that the same powers are not yet being given to Welsh Ministers, who will take over ultimate responsibility for the sea fisheries committees. The Countryside Council for Wales and the Welsh Assembly's Sustainability Committee have raised concerns about that, too.

Other Members have raised their concerns about the designation of marine conservation zones. I share their concern that it would appear from the Bill that sea fishing would allow damage to be done in those zones. That needs to be addressed in Committee. I would also like the term "disturbance" to be used in the Bill in relation to such zones.

Finally, to those Members, mainly on the Opposition Benches, who have expressed concern about the coastal path, let me say that the 187 miles of the Pembrokeshire coastal path show that, with some imagination and, in certain circumstances, quite radical action, we can achieve something through negotiation that delivers for people who want to have access and enjoy the coast, but which has huge economic benefits as well. In 1996-97, the Pembrokeshire coast national park conducted a survey

that showed that there were 915,000 user days on the coastal path. The park now estimates there to be well over 1 million user days a year. Twelve years ago, it was estimated that walkers on the coastal path generated nearly £20 million for the local economy. I think that the figure is at least twice that now. The hon. Member for North Wiltshire (Mr. Gray) was concerned about the cost. In fact, the benefit is enormous.

Mr. Gray: Will the hon. Gentleman acknowledge that there is an important difference between the Pembrokeshire path, which he has described, and the one described in the Bill, namely that the one in Pembrokeshire was created by entirely voluntary action and that where a landowner or farmer was not prepared to let it cross their land, compensation was paid to them? That will not occur under this legislation.

Nick Ainger: I do not think that the hon. Gentleman is correct about compensation. What was done was done by agreement, and it took an awfully long time. The Welsh Assembly wants to complete the round-Wales coastal path by 2012 and is funding that. Like other Welsh Members, I have been briefed by Jane Davidson. The Assembly thinks that it can achieve that by using local authorities and by negotiating with landowners. However, it is seeking the same powers as those in the Bill, through a framework clause, because it recognises that there may be difficulties in future. The Pembrokeshire coast national park would have preferred the powers offered in the Bill, because then we would have achieved a Pembrokeshire coastal path much sooner and the benefits could have flowed to the local community sooner.

I welcome the Bill, but I hope that we will see some significant changes to certain bits of it.

7.20 pm

Mr. John Randall (Uxbridge) (Con): I should like to thank the Secretary of State and my hon. Friend the Member for Arundel and South Downs (Nick Herbert) for their kind words. I should also like to offer my apologies to the House and to you, Mr. Deputy Speaker. Owing to a long-standing prior engagement at a constituency event, I will not be here for the winding-up speeches. The event is the diamond jubilee anniversary of the Uxbridge History Association and, as I am anxious not to become part of Uxbridge history just yet, it is important that I attend.

I echo the Secretary of State's words about the many thousands of ordinary people who are members of conservation organisations throughout the country. Those people have remained keen, from the time when I first introduced my private Member's Bill right up to today, to ensure not only that we get this legislation through but that it is also of the very best. In these days of openness and transparency, I should like to say that I am a member of several wildlife trusts including the Marine Conservation Society, and I estimate that I have been a member of the Royal Society for the Protection of Birds for 45 years. That makes me feel rather old, but I was very young when I joined.

As has been mentioned, in 2001 I was lucky enough to be No. 1 in the ballot for private Members' Bills, and I decided that it was time to introduce legislation that would match the legislation protecting the areas of special scientific interest that we have on the land. I soon discovered the complexity of the marine environment. It was not easy just to come along and implement such legislation. We have heard about the legislation that exists in relation to the extent of our territorial responsibilities, for example, and about the amount of interests in the marine environment. I was lucky that the right hon. Member for Oldham, West and Royton (Mr. Meacher) was the Minister responsible for these matters at the time, and he was instrumental in helping me to get through the process. However, there were some vested interests knocking around in Whitehall that were not making things too easy for my Bill, and I realised as I got more and more into the subject that it was far outside the scope of a private Member's Bill. I realised that it would need primary legislation from the Government to produce the kind of Bill that was needed.

Back then, the RSPB identified various areas that needed protection, including the Seven Sisters and the Worthing Lumps, which are areas of rare underwater chalk habitats, and the Royal Sovereign Shoals, an extensive offshore sandstone reef. Happily, they are still important areas, but we do not know how long they will last, and we need to get this legislation in place to protect them.

We have waited a long time for the Bill. I am greatly encouraged by the number of Members on both sides of the House who are taking part in the debate and suggesting serious improvements to it. It has been through the other place, and good improvements have been made to it there. As my hon. Friend the Member for Gosport (Sir Peter Viggers) said, we must now seize this once-in-a-generation opportunity to get it absolutely right.

We have all been approached by constituents and by the various non-governmental organisations with a serious vested interest in making this a proper Bill. I will not repeat all the arguments, but I would like to make a point about the marine conservation zones, which will be very important for seabirds. They will be important for lots of other things as well, but as the House will know from my long membership of the RSPB, birds are my primary interest in this context, although biodiversity involves many kinds of creatures being dependent on each other and we cannot concentrate on only one.

Perhaps we sometimes forget that our seabird colonies are among the great wildlife spectaculars of the world. I am sure that the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) knows well the areas of Skomer, Skokholm and Ramsey Island, for example, which are wonderful places for birds, as are the many seabird cliffs up and down the coasts of Britain. We can protect those areas, but we must protect the other places that the seabirds go.

Only this month, the RSPB published a report entitled "Birds of Conservation Concern 2009", which I am sure the Minister is aware of. It lists three new seabirds that have now joined the roseate tern—a pretty rare bird—on the red list, denoting high conservation concern. Amazingly, the herring gull has appeared on the red list for the first time. Members might find that strange, given that we have only to go out on to the Terrace of this place to see them, but we should all be aware that birds that seem to be common can suddenly become rare. In fact, the population of the herring gull has more than halved in recent times. The arctic skua has also

[Mr. John Randall]

joined the red list, as has the critically endangered Balearic shearwater. We need to be conscious of these developments.

In considering the marine conservation zones, we need to think hard about the socio-economics. There will be areas in which that aspect is not so important; it will depend on what is of importance in each one. However, I believe that the reference to socio-economics during the designation process should be removed and that site selection and designation should be based on nature conservation criteria alone. If a site is important for wildlife, it should be recognised as such. It would be more appropriate to take socio-economic considerations into account later in the process, when the site management is being determined.

Bob Spink (Castle Point) (Ind): The hon. Gentleman will be aware of the avocets on Two Tree Island on Canvey Island in my constituency. Does he agree that we need to be very careful about how we deal with the salt marshes and mud flats that people might want to go to?

Mr. Randall: Of course, but the salt marshes are not part of the marine environment; they are already catered for. I remember seeing a cream-coloured courser on Two Tree Island quite a few years ago. That was the last time that I was in the hon. Gentleman's constituency.

The marine protected area network must include highly protected sites, where all extractive and otherwise damaging activities are prohibited. Such sites would be able to recover from the effects of past exploitation, and would give important and necessary breathing space to our marine wildlife, providing a refuge from damaging human activities. I am pleased that the Bill provides for the management and enforcement of the zones, but as the hon. Member for Carmarthen, West and South Pembrokeshire has just pointed out, disturbance must be considered as an offence as well. That is an important matter that we need to look at; otherwise, there will be a huge gap in our ability to manage the zones. Feeding dolphins or resting sea ducks, for example, can be easily disturbed, and that fact needs to be taken on board.

The House has been battered by a storm in the past few weeks. Anyone who has gone bird watching after a storm will often have seen a variety of seabirds being pushed on to the shore, tired and exhausted. They are normally referred to as wrecks of seabirds. Looking around the Chamber, I am afraid that we are feeling a bit like that ourselves. So, in the coming weeks and months, when we get away from this place and, briefly, from our constituency work, I would urge all hon. Members to take time to go down to the sea—or perhaps to go to sea—where they can forget the worries of the world, breathe in the salty air and enjoy the solitude. That will put everything into perspective and, when we come back, we will be invigorated. I look forward to seeing improvements to the Bill, and to improvements in all our health.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am pleased to announce to the House a degree of quantitative easing. The time limit on Back-Bench speeches can be extended to 12 minutes.

7.29 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Thank you, Mr. Deputy Speaker. I welcome the extension you have just granted, but whether my voice is going to last out even for 10 minutes, let alone 12, I do not know. It is a great pleasure to follow the hon. Member for Uxbridge (Mr. Randall). It was on Second Reading of his Bill that I made my first speech on these issues—at rather too great length, if I remember correctly. I believe that hon. Members were starting to worry that I was in the Chamber to filibuster, but no such thing—I was just celebrating the rich contributions of Plymouth, Devon and Cornwall. I do not intend to repeat them at any length on this occasion, but it is still so good to be here with not one, but two things promised in our election manifesto of 2005.

It was a particular privilege to serve on the Committee of both Houses on the draft Bill. I have heard various Members, including the hon. Member for Gosport (Sir Peter Viggers), suggesting that powers that should be in the Bill are not there, while others have suggested that we could have got there more quickly. The truth is that there is still more finessing to do on this particular Bill. We could go on for a very long time, but much of that finessing has already been done in the other place on the draft Bill and by the Environment, Food and Rural Affairs Committee. It is a better Bill for all of that. Issues were teased out in the various scrutinies of last year, and the Government have accepted many of them in their response.

The interest shown in the Chamber today demonstrates that this is not only a better Bill for all that scrutiny, but an exceedingly popular Bill. We will all remember "petition fish" coming to the House. It was an elaborate petition, fish-shaped and constructed in the form of scales, and it contained 170,000 signatures. As the Government response to the various scrutinies of last year noted, and as the Secretary of State acknowledged, there were 15,000 representations about the Bill. In response to our particular scrutiny alone, there were 1,000 postcards from members of the Ramblers Association, more than 2,000 from the Royal Society for the Protection of Birds and many from Friends of the Earth. Quite a significant number of individual non-campaign contributions also came in—from people in academic and research areas, energy supply, environment, fishing, heritage, local government, NGOs, ports, public bodies and sport and recreational organisations. That just demonstrates the complexity of the Bill, as it needs to deal with many competing tensions. If they did not exist, we might not need the Bill, but we certainly do need it—and we now need it urgently.

The goal is ambitious, and rightly so. The high-level marine objectives that underpin the marine statement, "Our Seas: a shared resource", lay out a vision that I recommend to those who have not yet had an opportunity to look at it. Many have mentioned the state of our seas and coasts at the moment, but this lays out a vision for the future. "In twenty years", it says,

"our marine environment will be very different. We will have achieved our vision of clean, safe, healthy, productive and biologically diverse oceans and seas...Effective integrated and strategic management of human activities in the marine environment will result in society getting better benefit from the use of the marine environment than previously, whilst its rich natural and cultural heritage are better protected".

It further notes:

"Climate change will have driven change both in relation to the environment itself and the way in which people use it. Renewable energy developments will be commonplace"

well, we hope they will; they had better be—

"and Carbon Capture and Storage will be underway…However, marine planning means that activities in the marine environment will co-exist and that the impacts of different activities on each other and on the environment will be properly taken into account and managed consistently."

Clearly, it is ambitious, and rightly so.

The high-level marine objectives also describe how the five principles of sustainability will underpin what is achieved through the various measures and the coming into being of the marine management organisation. Those five principles are: achieving a sustainable marine economy; ensuring a strong, healthy and just society; living, of course, within environmental limits; promoting good governance on all of these issues; and, as others have mentioned, using sound science responsibly, which is very important.

Let me move on to the different parts of the Bill, some of which will need improvement. The marine management organisation is the key delivery agency, so it is a landmark organisation. Many Members and many outside the House will view the MMO as a champion.

My enthusiasm for the Bill is such that I hesitate to introduce a controversial note, but the choice of Newcastle as the venue remains a pretty incomprehensible decision as far as many of my constituents are concerned. Frankly, I have come to the conclusion that it might be better leaving the location where it is. As the Minister knows, Plymouth was very keen to be the host for the MMO and there was, of course, a KPMG report, which informed the Minister's decision. He will know that I have studied it probably at least as carefully as he has. It seemed in the end to come down to an empty DEFRA building. I know that there may have been more to his decision than just that report, but I believe that Liverpool should probably be as annoyed as the south-west. I am not even sure whether the building is going to be used, and I know that very few staff of the 100 or so that have already been mentioned—perhaps as few as one in 10 if my understanding is correct—will actually be moving north. That certainly puts at big risk the core of the Marine and Fisheries Agency staff already there who have significant expertise and skills. That considerable critical mass of expertise is at risk of loss, so I am sure that the Minister has plans to mitigate that—but I wonder at what cost.

I have suggested to the Minister that one way of making up part of the loss would be the development in Plymouth of an enhanced MMO satellite unit. There are outposts of the MFA at present—about 18, I think, around the country, and one of those is in Plymouth. I hope that the Minister and the chairman and chief executive will give serious consideration as to how to draw on best practice, which is the sort of thing we in the south-west are so rich in. I do not think that its extent and scale in the south-west can be rivalled anywhere. We have already mentioned Finding Sanctuary, which is at the cutting edge of what is happening. Our science is probably about three times up on the scale in comparison with the north-east. The Devon maritime forum, furthermore, has pioneered the way forward in resolving all the tensions between the different uses and, of course, the Tamar estuaries management is simply second to none.

Moving on from that slightly controversial note, the other parts of the Bill deal with marine planning, marine licensing and the framework that the MMO will be responsible for introducing. On nature conservation, we have already spoken about the need to look at the representations on securing a coherent network of environmentally sustainable zones, using sound science and getting the right balance on the socio-economic aspects. As far as managing the marine fisheries is concerned, the new inshore fisheries and conservation authorities will have strengthened conservation duties, as introduced in the other place. That is a good thing. There is also a part of the Bill to deal with migratory and fresh water fisheries and important aspects of enforcement. Some issues about cross-warranting may still need to be teased out.

These aspects are followed by excellent provisions on coastal access. I heard the reservations of Opposition Members, but the truth is that the third of the coast that has not thus far been designated could have been dealt with voluntarily a long time ago. It is a well-trodden path—forgive me for using that phrase—but when "voluntary" does not succeed, the Government need to bring in provisions to encourage the rest.

The Bill is needed and there will be some lively debate on it. The Bill is also popular. It is predominantly a framework Bill. There are issues concerning resourcing, the relationship with the Infrastructure Planning Commission and the role of the science. Some of the work has been done in the other place but there remains much for this House to do in Committee. The next few weeks promise to be as productive as this time last year when we were discussing the Climate Change Act 2008, a groundbreaking and landmark piece of legislation. So, too, will be this Bill, and I will take a keen interest in it between now and when it returns to this Chamber in its final stages.

7.40 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): It is a great pleasure to take part in the debate and to follow the hon. Member for Plymouth, Sutton (Linda Gilroy), who obviously followed the matter for some years before I became a Member. The Bill is extremely welcome. The setting up of the MMO, whatever the shortcomings in detail, is to be welcomed as are the protection zones. Other Members have raised issues as to whether the zones give sufficient protection in some cases, but I hope and am confident that Ministers will be open minded in Committee, as I know they have been in the other place, in improving what can be landmark legislation.

My constituency covers an area of North sea coastline in east Yorkshire, from Spurn Point to the village of Atwick, north of the seaside town of Hornsea and along the Humber to the city of Hull. The Bill will affect many of my constituents, especially those living in the immediate vicinity of the coast itself. I would like to focus the majority of my remarks on the coastal access provisions in this Bill, which is perhaps the area of greatest interest to local residents.

[Mr. Graham Stuart]

Nobody doubts that England has some of the most beautiful coastline in the world. It is one of our most recognised assets as a nation and a source of great pride. Nobody living in this country is ever more than about 60 miles away from the coast and that is something that should be celebrated. Some 72 million trips are made to the undeveloped coast each year and 174 million trips to seaside towns, such as Withernsea and Hornsea in my constituency, which is a remarkable statistic for a country of just 60 million people. I support attempts to increase public access to the coast, so long as it is done fairly and with due consideration for those families and businesses already residing there. I do not believe that the Bill has got the balance right.

First, I would like to look at the issue of coastal access as it stands. Seventy per cent. of the English coast is already accessible. Of the millions of people who visit coastal areas each year, only 9 per cent. walk for longer than an hour or for more than 2 miles. An Ipsos MORI poll conducted in 2006 found that half of the English public do not visit the coast frequently and according to the Country Land and Business Association, 85 per cent. believe that they already have adequate access to the English coast. The right to roam laws brought in by the Government have not led to an overwhelming increase in the number of visitors, despite new access to mapped areas of mountain, moor, heath land, down land or registered common land.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): I suggest that the reason no more than two miles of coast is walked at any one time is because two and a half miles is the maximum continuous access available to most parts of the coast bar the south-west.

Mr. Stuart: I thank the hon. Lady for that intervention. The south-west has been mentioned, as has south Pembrokeshire by the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) who is no longer in his seat. In both those cases, the success of the voluntary efforts was highlighted. It was pointed out, however, that various authorities would like greater powers; that is hardly a surprise. Authorities always want greater powers so that they can impose their political vision on those who have to put up with them. We have made great progress and a voluntary approach, backed by suitable Government funding, can make a huge difference without abrogating the rights of landowners.

Mr. Gray: To correct one point, the hon. Member for Sheffield, Hillsborough (Ms Smith) has got her figures quite wrong. There is no proof at all that two and half miles is the longest stretch of coastline accessible throughout the rest of England. That is simply not the case; it is much longer than that. More interestingly, since the passage of the Countryside and Rights of Way Act 2000, the number of walkers going on to CROW-access land has fallen considerably. Far fewer people today are going on to the land than before the Act was passed.

Mr. Stuart: My hon. Friend makes an interesting point. The coastline that I know best is in my area and there are extensive walks along it from Spurn Point upwards and along the east Yorkshire coast.

It is against this background that we must look at the impact that the Bill will have on businesses, homeowners and landowners up and down the English coastline. I would like to raise with the Minister the issue of the coastal access reports, which will be compiled by Natural England and handed to the Secretary of State. Having grudgingly accepted the need for a right of appeal mechanism, which is to be welcomed, the Government now need to set out how it will work in practice.

On Report in the other place, Lord Hunt of Kings Heath said that Natural England must advertise a coastal access report and take reasonable steps to give notice of the report to those with a relevant interest in affected land and to certain bodies. What does that mean? How will affected landowners be informed if the proposed pathway cuts across their property? Will they be written to, or will they have to pick up the news some other way? If they feel that Natural England's proposals fail to strike a fair balance, how long will they have to make a representation to the Secretary of State? If the planning inspectorate, or whoever the appointed person is, recommends that the proposals are fair and proper, will the objectors have the right to appeal? Will the Minister spell out how that would work? The role of Natural England is extremely troubling. As the Environment, Food and Rural Affairs Committee warned last year,

"the Bill places so much emphasis on simply trusting Natural England to 'get it right.'"

Determining the make-up of the route is going to be an onerous and complex task. *[Interruption.]* I think my phone has just made an emergency call. I apologise to the House. That is the problem with the BlackBerry. As the Committee said,

"the Bill places so much emphasis on simply trusting Natural England to 'get it right.'"

I wish BlackBerry would get its software right so that phones do not make emergency calls when sitting in your pocket.

Mark Tami (Alyn and Deeside) (Lab): Stop digging.

Mr. Stuart: I thank the Government Whip for his intervention.

Many mistakes have been made in the past. There were 3,000 appeals against the mapping following the Countryside and Rights of Way Act, when DEFRA and the Countryside Agency were given responsibility to deliver a right to walk freely on access land and 2,000 of these appeals were upheld. Why have local authorities not been given a formal role in the process? Some concessions have been made but Lord Hunt said in the Joint Committee in the other place that

"if a local authority decided it wanted to undertake works itself, which it would then be responsible for, the costs would fall on the authority."

Local authorities should have been the Government's first choice for mapping out the pathway, and they should have received the funding with which to do so. They would have done so informed by local accountability to their electors. They have the local knowledge, contacts and expertise that Natural England lacks. As Lord Taylor of Holbeach said, excluding local authorities from a formal and influential role will deny the route the necessary infrastructure to turn it from an expensive quirk that is used only by the extremely determined to a national resource that provides enjoyment for many.

How will the route operate without sensible access roads, adequate parking, and co-ordinated public transport, and how can these be provided except by proper involvement of the authority responsible for them?

The issue of compensation is one that has come up time and time again. The Government have said that they will not be setting up a compensation scheme for those who lose out financially because of the pathway. This seems to go against the accepted opinion of many. The Select Committee issued a report last year which said that

"Natural England should be able to compensate land owners and occupiers who can demonstrate they will lose money as a result of the proposals."

The Countryside Alliance pointed out that owning a property next to the coast can

"constitute a very immediate asset,"

especially for many businesses and that the path

"will have a direct and negative impact on such businesses where privacy, the view, tranquillity etc are key assets of their business."

Countless organisations told the Select Committee that businesses and home owners should receive compensation. The National Farmers Union said that there were "many examples" of where a proposed coastal route would cause

"both direct and indirect loss of income or land"

and that "adequate compensation" would be required. Even the Ramblers said that it would

"support compensation being paid in the case of demonstrable and significant losses."

It would be a gross injustice if the Government were to continue to maintain that they would not provide that in implementing their policy proposals. DEFRA's own impact assessment stated that it would be likely that some residential properties would command a lower value were public access rights to be created on, or across part of, a property and that there may be a negative impact on businesses that derive competitive benefit from the availability of exclusive access.

I believe that this sets a very bad precedent indeed. Natural England's plans will affect all the non-exempt land around the coastline that does not already have decent access. In some sections of the pathway, it will be possible to make use of existing trails that are in place, but this still leaves up to a quarter of the coastline that will need a route to be created from scratch. Thousands of properties will be affected. The Secretary of State has said that

"land, even private land, is a public good and we should assert our right to enjoy it."

I find that simply unacceptable. It is not the right of anybody, least of all Government, to come swooping into somebody's private home to disrupt their enjoyment of it. As David Fursdon, president of the Country Land and Business Association, said:

"It shifts the balance from the protection of the individual to the power of the state."

Labour Members have said that it is an extremely popular provision. It may be popular, but it is still possible for it to be wrong. It would be even more unacceptable if, having brought about a reduction in the value of a business or property—having swooped in on it—the Government were to fail to offer anything in the way of compensation.

I therefore appeal to the Secretary of State to consider again the issue of compensation and to listen to the voices that have all been raised—some supportive of the Bill's proposed powers—to urge that progress can be made through voluntary means and to resist what one of my colleagues muttered earlier was the Stalinist tendency of believing that we should bully and push people into doing things that we can eventually bring most people to do through patient negotiation, and thereby provide the access to the coast that my constituents and others throughout the country would find fully acceptable.

7.52 pm

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): This Bill presents us with a great opportunity to protect and improve our natural heritage. It is apt that we are considering it 60 years after the establishment of our first national parks through the National Parks and Access to the Countryside Act 1949. We must use this opportunity to get the management and conservation of our marine heritage absolutely right. It is a fantastic opportunity and the public are behind us on this.

Earlier, an Opposition Front-Bench Member ably pointed to the statistics on this matter, but the Co-op has also undertaken an innovative customer vote on it, and 363,000 customers responded, 83 per cent. of whom were in favour of the introduction of marine reserves. In my constituency, many more than 350 Co-op customers voted in favour of marine reserves. That demonstrates that the people of this island nation of ours remain proud of their coastline and marine heritage.

I am very glad that there is so much cross-party support for the Bill, and I hope that neither political side will fall back behind the traditional dividing lines in this Chamber. In that respect, I am very sorry that there was an attack earlier from someone on the Opposition Front Bench about the length of time that it took to get this Bill on to the Floor of the House. That was unnecessary.

Anne Milton: Will the hon. Lady join me in explicitly thanking all our constituents? My constituency is quite a long way from the sea, but I have nevertheless been contacted by many constituents, and also by non-governmental organisations and bodies such as the WWF. They have all made this the significant occasion that it is, and caused us all to join together to seek to bring about the successful conclusion of a Bill that will really work.

Ms Smith: I absolutely agree. That is why I thought the Opposition Front-Bench spokesman's comments were unnecessary. They were also unwise. The parliamentary candidate who will stand against me in my new constituency attacked my question to the Prime Minister of last autumn about the marine Bill on the grounds of its irrelevance to my constituents, because, like the hon. Lady, I represent a landlocked constituency. It is, however, the headquarters of Natural England, which makes it clear that the whole of this House and this country have an interest in the provisions of this Bill. That attack did not go down well with my constituents, and it did not reflect well on the individual concerned. Any attempt to chip away at the consensus that has built up on this Bill is unnecessary and unhelpful. I therefore welcome the hon. Lady's comments.

[Ms Angela C. Smith]

The provisions in the Bill relating to the marine environment are broadly to be welcomed, as they are intended to balance the sometimes very different interests that relate to that environment, and the establishment of a marine planning system is one of the central aspects of the Bill. The potential for the development of an ecologically coherent network of marine conservation zones has also been broadly welcomed by many environmental charities. However, some small amendments could still be implemented to make this not just a good Bill, but one to be truly proud of. We need to make sure, for instance, that the Lords amendment to clause 51 is maintained in the Bill, as it requires Ministers to seek to ensure that plans are prepared to cover all UK waters. That is very important if we are to cover both inshore and offshore marine interests.

We need to make sure, too, that the marine management organisation is given an advisory role in decisions made by the Infrastructure Planning Commission. The Planning Act 2008 gave local authorities a special role in decisions made by the IPC for inland infrastructure projects. The MMO ought to be given the same rights in relation to the IPC as those enjoyed by local authorities under the 2008 Act.

We also need to strengthen the clauses relating to the offences of reckless or intentional damage within a marine conservation zone. In particular, the blanket defence against damaging an MCZ by those who are carrying out fishing activities must be removed in the context of those activities that take place within 6 nautical miles of the coast—outside that 6 nautical mile-limit, that is not possible because EU legislation becomes relevant.

Perhaps the biggest change we need to make to the Bill relates to clause 117, which requires a consideration of socio-economic factors when designating MCZs. My view—which has also been expressed across the Chamber and is shared by NGOs such as the Royal Society for the Protection of Birds and the wildlife trusts—is that although socio-economic issues are important, they should not be considered until the later management phase of developing an MCZ has been reached.

In support of this view, I wish to refer to the part of the country where I grew up: the Humber estuary. The Humber is the UK's largest port complex, handling 14 per cent. of our international trade. It has an average of 40,000 ship movements per year. Industrial interests alongside the estuary include not only chemical works such as ICI—and Courtaulds and Titan, as were—but the now infamous oil refineries of Lindsey and Conoco. My family has made much of its living over the past 40 years through deep-sea fishing and working in the chemical factories and refineries. I therefore completely understand the importance of socio-economic factors in the marine environment.

The Humber also supports a rich variety of habitats and species. Because the estuary is so industrial, it is often not understood that it is also very important in terms of conservation. It is recognised as one of the most important estuaries in Europe for over-wintering birds, and it supports nine species of international importance. It is designated as a special area of conservation under the EU habitats directive and a special protection area under the EU birds directive. The area also encompasses numerous nationally important sites of special scientific interest as designated under the Wildlife and Countryside Act 1981. As we know, SSSIs are determined purely on a scientific and conservation basis; no other factors, including socio-economic, are allowed to be considered when SSSIs are so designated. If areas as important as the Humber estuary can on numerous occasions enjoy protection through all the directives I have mentioned and SSSI status and those protections can co-exist alongside the industrial activity that we know is critical to the economy not just of the Humber but of the whole of the north, surely we can put together a Bill that considers only the scientific evidence when it comes to designating marine conservation zones.

Mr. Roger Williams: Will the hon. Lady give way?

Ms Smith: No, I am going to move on; I have got only 12 minutes.

The provisions before us on coastal access are long overdue, and the Government are to be congratulated on introducing proposals that will complete the work started in the 1949 Act. As was pointed out, 72 million leisure visits are made to the coast each year, and coastal walking is more popular than visiting the beach, which is not surprising, given how cold our climate is, yet there is satisfactory access to only 50 per cent. of our coast. I correct what I said earlier: the average length of continuous access to the coast is 2.5 miles, but the longest point of access is not that much greater. In any case, the argument stands: one reason why people do not enjoy the coast as much as they should is the very limited access to it.

The coastal access duty set out in clause 290 and the establishment of an all-England coastal route are therefore broadly to be welcomed. Again, however, small amendments could be made to improve the Bill. As it stands, it places a duty of fair balance on Natural England in establishing coastal access. The rights of landowners and occupiers need to be balanced with the rights of those who wish to access the coast—nobody is ever going to deny that—and yet no requirement will be placed on Natural England to consult, or consider representations from, bodies representing user groups and the public. That means that implementation of coastal access could—not necessarily will, but could—unduly favour the interests of landowners and occupiers.

I understand that the Minister in the other place gave a commitment to look at this issue and the regulations governing consultation, but I doubt whether the majority of Members of this House will rest until we can be sure that a fair balance has been properly achieved in establishing coastal access. I would also argue that, as is suggested, if objections are made to coastal access proposals and referred to a planning inspector, they should be assessed using the same criteria as used by Natural England and the Secretary of State.

There are also concerns about considering the use of seasonal ferries as part of coastal routes, not because they are unsuitable but because access potentially grinds to a halt when the ferries are not operating. The Bill must allow Natural England to set alternative routes for periods of non-operation. Equally, we need the Bill to set out clearly the right of coastal access on islands that are connected by ferry to the mainland. What, after all, is the difference between accessing Holy Island on foot

over the causeway—when the tide is out, of course—and accessing the Isle of Wight by ferry? Both are regularly accessible, yet the Isle of Wight is not included in the Bill. That is wrong. The Isle of Wight is internationally known for its beauty; it has been written about by numerous writers. We need to correct this anomaly in the legislation.

Finally, the Bill needs amending to recognise the difference between parks and gardens. At present, both are exempt from access provisions, yet it must be recognised that a walking route can pass through a large park—particularly one in which no building or dwelling is on site—without compromising privacy. Excluding parkland could lead to large inland detours similar to that found on the Solent way. The detour on the Solent way is 15 miles long, and something therefore needs to be done about this broad-brush exemption, which runs the risk of compromising far too deeply the principle of coastal access. Further consultation was promised in the Lords, but it has not been forthcoming so far. We need to separate the definitions of parks and gardens in the Bill, and to reduce the exemption to gardens only.

I wish the Bill well as it goes into Committee. I cannot serve on the Committee, unfortunately, due to a summons for jury service back in Sheffield; but while I am doing my duty as a citizen in the Crown court and focusing on the task in hand, I will sit comfortable in the knowledge that the Bill is in the capable hands of the ministerial team, whom I know are listening intently to the debate. I hope that they will take seriously the amendments that have been consistently suggested throughout today's debate.

8.5 pm

Mark Williams (Ceredigion) (LD): I, too, welcome this popular, long-awaited and much-needed Bill. During my last four years in this place, there has been a growing sense of frustration among my constituents at the fact that, despite perceived infringements in Cardigan bay, the protection promised by status such as "special area of conservation" has meant very little.

Ceredigion adjoins Cardigan bay, which is an extremely important marine site. It is home to populations of bottlenose dolphins and harbour porpoises, and is designated as a special area of conservation under the EC habitats directive. I want to focus on two concerns that have arisen in the past two years, and I hope that the Bill, through marine conservation zones and other such provisions, will give my constituents the guarantees that are required.

In 2006, two unnamed companies applied for licences for exploratory oil and gas drilling for three blocks inside or adjacent to the SAC. I do not want to go too deeply into the evidence of the harm that such drilling would cause—my hon. Friend the Member for St. Ives (Andrew George) mentioned the disturbance to marine mammals—but concern was expressed by many organisations, such as the Whale and Dolphin Conservation Society, Friends of the Earth, Friends of Cardigan Bay, George Monbiot and, eventually, the Countryside Council for Wales. A local group, "Save our Sea", was formed to fight the plan to drill. I pay tribute not just to its work on that campaign, but on its continuing work to preserve Cardigan bay's marine environment.

After an extremely hard fight—letters flowed back and forth, petitions were presented in this House and there were ministerial meetings—the then Department of Trade and Industry opted not to grant licences because not enough was known about the impact on the dolphin population. What astonished me then, and still does to this day, is how little SAC status seemed to mean in protecting the bay. However, I emphasise that I welcome the Bill and look forward to the protection that I hope it will afford to areas such as mine.

The blocks in Cardigan bay were delayed so that appropriate assessments could be carried out and the environmental issues examined further, but there was no certain presumption against drilling and very little attention seemed to be paid to the strictures of the habitats directive. I am concerned that the position regarding oil and gas licensing remains unclear in the Bill, and I ask the Minister to reflect on how the principle of conservation can be equated with the economic benefits of oil and gas. That is an important point. As is clear from the speeches of Members throughout the House today, we are still looking for that balance between socio-economic demands and legitimate conservation demands.

My second concern regarding the lack of protection in Cardigan bay has grown in the past year as a result of the difficulties we have faced in attempting to curtail large-scale industrial scallop dredging. I should state right away that there is no issue with small-scale scallop fishing. There is still a small functioning fleet in Cardigan bay, and it is local fishermen who are among the worst affected as the dredgers churn up the sea bed, damaging local habitats and biodiversity, which in the long term could have a devastating effect on sustainable fishing in the bay.

Things have got out of hand, and existing mechanisms seem unable to deal with the problem. A colleague of mine on Ceredigion county council was told by local fishermen that out on the bay, before the season was closed, there were some 70 dredgers. That is many more than the number of licences issued by the "local"—I use the word loosely—sea fisheries committee, the North Western and North Wales sea fisheries committee. There is a perception that as legitimate action has been taken in Lyme bay, and in the Isles of Scilly in the constituency of my hon. Friend the Member for St. Ives, the problem has been shunted around the coast of the United Kingdom.

We have had some difficulty pursuing the matter, as responsibilities are divided between the UK Government and the Welsh Assembly Government, so I very much welcome the devolution of all fisheries responsibilities to Wales under the Bill. However, I echo the concerns raised by the hon. Members for Ynys Môn (Albert Owen), and for Carmarthen, West and South Pembrokeshire (Nick Ainger), about resourcing.

I welcome the fact that sea fisheries committees will be abolished. I regret to say that I do not feel that sustainability and environmental concerns were always at the forefront of their deliberations. That has not always been the fault of individual members; it is more to do with how committees were constituted and the fact that immediate fishing activities were the focus of their decisions, rather than long-term goals on sustainability. As the power is to be devolved to the Assembly Government, I will confine my concerns to the new fisheries regime for Wales.

[Mark Williams]

The Assembly Government have indicated their desire to bring that power in-house, and I have no qualms about that, provided they are able to retain and use necessary expertise to manage fisheries. However, some campaigning groups, and indeed some people in the Assembly, feel that the Bill should be more explicit in ensuring that the Assembly Government promote sustainable fishing. I know that Elin Jones—our Minister for Rural Affairs in Wales and the Assembly Member for my constituency—is committed to doing that. I have no doubt that she will ensure that the Assembly Government promote sustainability in fishing, but I would be interested to hear what Ministers have to say about discussions held with her. Would they be happy to accept that duty, and are the Assembly Government happy with the extent of the powers that they are being given?

The establishment of marine conservation zones is a welcome step; none of us should understate it. Having listened to the debate, I am now more inclined to move towards the graded approach advanced by the hon. Member for Arundel and South Downs (Nick Herbert), who spoke for the Conservatives. I am perhaps even more supportive of the line taken by my hon. Friend the Member for St. Ives, who said that there should be a separate category of added protection. I have no doubt that that will resonate strongly with my constituents who have raised concerns.

I appreciate that economic and social factors must be considered as part of the broader marine planning system, but I support the assertion that ultimately there should be some highly protected areas that are, in effect, no-go zones for damaging activities. It is the fear of some, including me, that because of the way the legislation is written, it will allow hugely significant environmental and scientific sites to be destroyed because of an overriding, compelling economic argument. I would contend that some sites are simply too important for any considerations to override their protection. I do not think that it is the Government's intention that economic arguments should ultimately trump the most important environmental ones. I hope that they will consider that higher added level of protection when the Bill is in Committee.

There have been concerns about clause 117(7), which allows the appropriate authority to

"have regard to any economic or social consequences"

when designating a site, critically at the point of designation. Site designation must be carried out on a purely environmental and scientific basis. It is one thing to consider the economic impact of individual activities, but designation must be made on the basis of what is in the zone, and what we need to protect. The effect of the clause currently is to suggest that no matter how compelling the environmental argument for designating a site, it could be overridden. That is a dangerous route to go down. I hope that the Government will consider that point.

I think that it was the hon. Member for Wolverhampton, South-West (Rob Marris) who made the point about ensuring sufficient time for consideration of the Bill; that is important. We are talking about a highly complex issue. The eyes of a vast number of people are on the House as we consider the Bill to ensure that this once-in-a-lifetime Bill is afforded the status it requires and that our marine areas are protected in the way they should be.

I live 200 yd from the sea. The advice from the hon. Member for Uxbridge (Mr. Randall), who is no longer in the Chamber, was that we should all go to a coastal area and breathe in the air—I do that every week. I would commend doing so to people in the landlocked constituency of Sheffield, Hillsborough, and to others. My constituents are at the forefront of promoting eco-tourism. We have a beautiful coastline in Ceredigion and west Wales, and I recommend it without any hesitation to hon. Members.

8.15 pm

Martin Salter (Reading, West) (Lab): It is truly a pleasure to follow the hon. Member for Ceredigion (Mark Williams). I am happy to inform him that I shall spend part of my annual holiday in his constituency, mainly because I am too mean to go abroad, given the fall in the value of the pound. I am still struggling to get my head round the notion of a Plaid Cymru Member who has an accent that makes him sound like he comes from Slough.

Mr. Simon Burns (West Chelmsford) (Con): He's a Liberal Democrat.

Martin Salter: Oh, well that explains it all. I do apologise; there is nothing wrong with the accent at all, and there is nothing wrong with Slough, either. I had better talk about the Marine and Coastal Access Bill, which is a long-awaited measure.

Last year, I served on the Joint Committee on the draft Bill with hon. Members who are present. The hon. Member for Arundel and South Downs (Nick Herbert), who spoke for the Conservatives, was a little churlish; the Bill has had extensive pre-legislative scrutiny. That is why we can have a constrained Committee stage, and why, following the extensive pre-legislative scrutiny and extensive, comprehensive debate in the other place, we can get the Bill passed by the summer, after 12 Committee sittings, with co-operation from Members across the House. I understand that the Government have already conceded about 50 cross-party amendments. This is a much-improved Bill. However, we still have some improvements to make, and in my short contribution, I shall sketch out further improvements that I seek to make, hopefully with the support of colleagues from across the divide, in order to make a good Bill even better.

I shall primarily concentrate on issues of concern to recreational sea anglers and people in the recreational angling world more generally, as hon. Members would perhaps expect, but there are three other issues that I want to mention. Before I do that, I should like to read into the record something to show how widely the Bill has been welcomed. It is an international first. It is a major Bill that will introduce a new framework for the seas, based on marine spatial planning that balances conservation, energy and resource needs. Perhaps one of the most powerful non-governmental organisations, the Royal Society for the Protection of Birds, of which a number of Labour colleagues and the hon. Member for Uxbridge (Mr. Randall) are members, probably spoke for the NGO community as a whole when it said in December last year:

"The future of the UK's globally-important marine wildlife looks...brighter with the introduction of a Marine and Coastal Access Bill in the Queen's Speech."

It went on to say that it trusts that the new legislation will protect the natural wealth of our marine environment while providing a framework for the sustainable use of our seas. I have no doubt that introducing the Bill is a truly honourable role for us to play, as others have said. The Bill is a once-in-a-generation, or once-in-a-lifetime, opportunity, and I have absolutely no doubt that with the combined resources and passion that have been demonstrated in this debate and will be demonstrated in Committee, we will improve the Bill still further. Future generations will thank this House and this Parliament for doing that.

I now come to my three points. On the marine management organisation, clause 36 brings in, through guidance, a sustainable development duty. That is very important, and it is the result of a worthwhile amendment. On marine planning, amendments to clause 58 mean that it now provides for a duty to report on marine planning every three years. That was a crucial change; it focuses and tightens that essential function. I do not want to repeat arguments that other hon. Members have made, but there are a number of issues to do with marine conservation zones. Clause 123 contains a requirement, once the process starts, to designate an MCZ within 12 months. It is ridiculous, is it not, that following the Wildlife and Countryside Act 1981—groundbreaking but fundamentally flawed legislation that is need of overhaul, which is basically what we are providing—about only 2.2 per cent. of our amazing coastline is protected? I want that figure to be increased by a factor of 10 very quickly, and I understand that we could have some interesting announcements shortly from colleagues on the Front Bench.

I support the lobby by the NGOs for an ecologically coherent network of sites. I know that the NGOs want, and will get, probing amendments on that issue. My right hon. Friend the Member for Scunthorpe (Mr. Morley), who is an acknowledged expert in this area, was right when he raised the problem of the inter-tidal zones. Natural England got a bit of a pasting from one contributor from the Opposition, in one of the less impressive speeches we have heard today. Natural England does a good job managing the SSSIs. The MCZs will have enough on their plate without worrying about the inter-tidal zones, and where an SSSI stretches into a tidal area, let us leave well alone. If it ain't broke, let's not fix it. These new bodies will have many other things to do, and additional powers and responsibilities can come later.

NGOs and hon. Members have talked about socio-economic factors. I tilt towards the Government position here—although I do not guarantee to do so throughout the Committee stage—which is that socio-economic factors "may" be taken into account, not "shall" be taken into account. That is significant, and the House would do well to reflect on that. We will have an opportunity when looking at MCZs of equal value, and socio-economic factors could come into play then. I caution against placing a blanket ban on that.

I turn now to specific issues relating to recreational sea angling and wildfowling. The hon. Member for Beverley and Holderness (Mr. Stuart) proved that he is a true Tory, because he was worried about coastal access on behalf of the landowners. Of course he was: he is a Tory, and that is what they do—

Mr. Gray: Will the hon. Gentleman give way?

Martin Salter: Go on then—the hon. Gentleman is a proper Tory.

Mr. Gray: The hon. Gentleman is a true old socialist. Of course my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) was not talking about large landowners. He was talking about farmers and people whose houses go down to the sea. It is a dreadful misrepresentation of what my hon. Friend said to pretend that he was speaking on behalf of dukes.

Martin Salter: I thank the hon. Gentleman for drawing that point to my attention, but I was talking about landowners in general. The serious point—on which I think I will find common ground with my neighbour, the hon. Member for Newbury (Mr. Benyon)—is the little glitch in the Bill's drafting on the difference between tenants and landowners. Under the Countryside and Rights of Way Act 2000—CROW—there is an appeals process, which is open not only to landowners, but to sporting tenants. For instance, that might mean the local angling club, which has some fishing on the tidal Stour in Dorset. It might mean the local wildfowling club—wildfowling is a far more working class sport than shooting on grouse moors. Under the CROW, the Labour Government gave the owner of the grouse moor the right to lodge an appeal, and the shooters on that moor have the same right. Under the Bill, however, the poor little wildfowling club will have no rights at all, if they are—as most of them are—sporting tenants.

Many of us have received representations on that point from the British Association for Shooting and Conservation, an organisation for which I have a lot of time. It says:

"The problem revolves around the definition of 'a relevant interest in land' within the Bill. . . It differs from the Countryside and Rights of Way Act, because it excludes holders of sporting rights—which of course include fishing"

and wildfowling clubs. The Association goes on to say:

"It seems that the civil servants have a poor understanding of shooting"

and recreational angling

"on the coast and have taken a position based on the lack of knowledge. . . It is ironic to see a Labour government giving grouse moor owners a right of appeal in CROW but dismissing the rights of wildfowlers, rough shooters and pest controllers. We will return to that issue in Committee, and I am sure that we can resolve it."

The marine Bill is the mechanism by which we will deliver much of the salmon and freshwater fisheries review of 2001. We have waited eight years to put some of this into legislation. I have noticed a small technical issue regarding the sale of salmon and sea trout. A number of obsolete provisions in the Salmon and Freshwater Fisheries Act 1975 will be repealed under part 7 of the Bill, but the Government have left section 22 untouched. Surely that is also redundant, given that the dates when the sale of salmon and trout was prohibited no longer correspond to the close seasons for those species. Furthermore, we are giving the Environment Agency complete flexibility to set close season byelaws. We must return to this issue in Committee, but I wanted to put a marker down for the Whips to expect an amendment on that point.

A few days ago, in my capacity as chair of the all-party angling group and my party's spokesman on angling, I convened a meeting with the new governing

[Martin Salter]

body for angling, the Angling Trust, which brought together representatives from coarse, game and sea fishing. It discussed several issues, some of which have already been mentioned. I welcome the demise of the sea fisheries committees—they were unbalanced—but we must ensure that there are at least as many recreational sea anglers on the new committees, the IFCAs, as there are commercial fishermen. If county councillors who have links with the commercial sector are on those committees, that must be declared; otherwise, we cannot get the balance right.

I am delighted that officials in DEFRA have announced that, by and large, recreational sea angling will not be banned in the MCZs—it will be banned only in some of the marine protected areas. We have a unique opportunity to help with the enforcement of the MCZs. Recreational sea anglers would welcome the opportunity to fish in the buffer zones on the edge of the MCZs. Those would provide excellent fishing and it would also assist in enforcing the MCZ. It is all very well drawing imaginary lines in the sea, but unless anglers—who have a vested interest in reporting illegal commercial fishing—are there as the eyes and ears, we will have made policy in a vacuum. I want to see on the face of the Bill a definition to improve, develop and maintain fisheries, and to enhance their social and economic contribution through recreational angling.

Finally, I turn to the freshwater part of the Bill—the bit that will enact the review. There is and has been an ongoing problem with fish thefts, especially in public fisheries. It is difficult to define who owns a fish or a stock of fish in, for example, the River Thames, much of which is tidal. The current system of byelaws is arcane and unenforceable. Yesterday, the Environment Agency began consultation on new legislation to make it an offence to take fish without permission. We have had problems, especially with people from other cultures who take fish for the pot and do not recognise our catch-and-release culture. I welcome the fact that we can overhaul outdated fisheries legislation and I am delighted that the Minister has agreed to use this Bill as a mechanism for delivering that review. I am also delighted that we will have an opportunity to protect eel fishing—eels are under particular threat at the moment. Finally, I ask the Minister to think again about the nonsense that the new sea fisheries committees would have responsibility for enforcing the tidal limit. That cannot be right.

8.29 pm

Mr. James Gray (North Wiltshire) (Con): It is a pleasure to follow the hon. Member for Reading, West (Martin Salter), with whom I have spent the last 12 years in this place hoping that he as an old socialist and I as an old Tory would find lots of areas of fundamental and sharp disagreement. Sadly, over 12 years I have found that we have agreed on far more than we have disagreed on. Today's debate is no exception to that. We even agree on the removal of those obnoxious little notices in the cafeteria that say, "Members must take priority at all times." The hon. Gentleman and I pride ourselves on removing them.

Martin Salter: Will the hon. Gentleman read on to the record that it is he and I who have been acting in guerrilla warfare against the House authorities on those objectionable notices? We stand accused.

Mr. Gray: We are a pair of hoary old guerrillas, Mr. Deputy Speaker, and we stand guilty as charged. We remove those dreadful notices and will continue to do so. Once he has left this place—it will be a poorer place once he has gone, although of course he will always be welcome to come down to Malmesbury in my constituency to go fishing, as he does at the moment—I pledge to him that I shall continue to remove those dreadful little notices until I am even older than he currently is.

Most of the people who have spoken in the debate have said, perfectly correctly, that the principle behind the Bill is outstandingly good. I certainly would agree with that. It has been a long time coming, as my hon. Friend the Member for Arundel and South Downs (Nick Herbert) said. There has been pre-legislative scrutiny over the past year, but that is no excuse. The Government have been 12 years in post, and the fact that we have spent six months looking at the Bill does not excuse the fact that it has been so long in coming. Nor do I believe that the fact that there has been pre-legislative scrutiny is a good excuse for curtailing the Committee stage, as has been proposed in the programme motion. It seems to me that many of the things proposed by the Select Committee on Environment, Food and Rural Affairs, on which I serve, have been entirely ignored in the drafting of the Bill. An opportunity to re-discuss those matters in Committee would be useful.

Overall, most people who have spoken in the debate so far have agreed that the marine conservation aspect of the Bill is a long time coming, is entirely to be welcomed and will be of great benefit to those of us who love the sea and the seaside, which most people in the United Kingdom do. Incidentally, the hon. Member for Sheffield, Hillsborough (Ms Smith), who is not here, rather apologised for being from an entirely inland constituency. North Wiltshire is one of the most inland areas that there is, but I am proud of the fact that the Whale and Dolphin Conservation Society is based in Chippenham, in my constituency, and it does a good job in preserving whales and dolphins despite the fact that it is hundreds of miles from the nearest whales and dolphins. It does a fine job, and we need feel no embarrassment about that.

In that context, I would prefer to leave the outstandingly good marine conservation aspects of the Bill to one side and to focus on an aspect that has not been given sufficient consideration in the debate but that is an important central part of the Bill—that is, the coastal access provisions.

Perhaps I should start by saying that I am a strong supporter of rambling, walking, getting into the countryside, cycling and riding horses. The more we can encourage people to do that, the better. We are very strong supporters of that. The Labour party acknowledged that in its manifesto by saying that it intended to improve access to the coast. That manifesto did not say that it would create a coastal access path, but made a commitment to improve access to the coast. I strongly support that. The more we can do to encourage people to go to the coast and to go into the countryside, the better it will be. That is not the issue. The issue is the means by which we do that.

As we have heard this evening, two thirds of the coastline is already open to walkers. Hundreds of miles of coastline are perfectly open to walkers. That has

been done by mutual consent and traditional rights of way, and large parts of the coastline are available. The hon. Member for Sheffield, Hillsborough argued that the average length of coast available is only 2.5 miles. How she came to that average, I am not at all sure, because large parts of the coast offer hundreds of miles of walks without walkers' having to leave the main part of the coast. Of course, when one comes to estuaries, towns, yacht basins and caravan sites, there will be parts where one cannot continue along the edge of the coast, and it is only reasonable that one should then move slightly inland.

I am by no means convinced that thousands of people in our towns and cities are desperate to go for a walk along our coastline and cannot find one to walk along. I simply do not believe that that is the case. Indeed, I have spent most of my summer holidays for the past 25 years at a house high on the cliffs in Cornwall, on the coast path. I tend to be there for the first two weeks in August, which is the high point of the holiday season. In my 25 years at that house, on that cliff, on the very best part of the coastal path in Cornwall, I suspect that I have seen no more than 10 or 20 walkers. That is the best stretch of coastal path. I do not believe that tens of thousands of people around the nation desperately want coastal paths. The polls demonstrate that most people want to walk for between half an hour and an hour before returning to the car park that they started from. I am not certain that there is a huge demand for allowing people to walk all the way from Newcastle to Carlisle via the coastline, and Land's End. Anyone who wanted to do that walk would probably go along Hadrian's wall instead. I respect and admire committed long-distance walkers, but I am not convinced that there are an awful lot of them.

With that as background, I turn now to the fact that the Bill proposes spending a minimum of £50 million on opening the remainder of one third of the coastline to walkers. Some of the money would be spent on employing full-time coastal access monitors in each region. Knowing Government estimates, I suspect that the cost would be very much higher over the 10 years for which the scheme is proposed. At a time like this, can we really justify spending tens of millions of pounds of taxpayers' money on something that only the dedicated few want?

Andrew George: It is important to put the matter in the current economic context. Does the hon. Gentleman therefore accept that the South West Coast Paths Association has estimated—I am sure that its estimates are right—that the south-west coastal path alone is worth £300 million per annum to the area's economy?

Mr. Gray: I am most grateful to the hon. Gentleman for that intervention, and he is of course right. I shall say more about the south-west coastal path in a moment, and in particular the economic advantages that come from it. It is a wonderful path, and I have walked many parts of it. It was established not by Government diktat but by voluntary agreement between local authorities and the landowners to whom the patches of land involved belonged. The path goes most of the way round Devon and Cornwall and, although some sections remain incomplete, it owes its existence to entirely voluntary arrangements. I am very strongly in favour of that.

It is also true that those landowners who did not want the path were persuaded to accept it by the large sums of money that local authorities were willing to pay them. That is perfectly legitimate: if a local authority wants a patch of land, or the use of it, why should it not be encouraged to pay large sums of money? However, the Bill does not provide that encouragement. It says that the Government will not pay large sums of money to landlords, but that they will simply drive their plans through.

I very much welcome the improvements to the Bill achieved in the other place, and especially the introduction of a right of appeal. That is very important, and it is something for which the Environment, Food and Rural Affairs Committee called. I hope that the Government will allow that provision to remain.

Other aspects of detail need to be improved, and the hon. Member for Reading, West raised a most interesting point about the definition of "landowner". Moreover, the Bill simply ignores the question of sporting rights, but that is also something that needs to be looked at. Members of local wildfowling or angling clubs do not necessarily want walkers right beside them, and I am sure it must be possible to find ways to push them further away.

Mr. David Drew (Stroud) (Lab/Co-op): Given that the Bill on heritage protection is not being brought forward, does the hon. Gentleman accept that one of the lacunae in this Bill is the issue of inter-tidal wrecks? These are vessels that have been tied up along our coastline. In my constituency, the now-famous Purton hulks are not subject to any protection and are consequently being vandalised, even though they are a very important historic site. Does he agree that the Bill could be extended to protect such sites?

Mr. Gray: The hon. Gentleman makes an extremely good point. He serves with me on the Select Committee and came along on our visit to the Essex coast. We saw a number of cases where, for various reasons, the simplistic notion of driving the path around the entire coast will not work. Marine archaeology may well be one of those reasons.

I am glad that, after some discussion, the Government exempted parks and gardens from the provisions of the Bill. The hon. Member for Sheffield, Hillsborough, who is sadly not in her place, said that she did not like that exemption. She thought that parks and gardens should be included in the Bill, but the fact is that 47,000 people could be affected. We are not talking about landlords or dukes; we are talking about the 47,000 ordinary people whose parks and gardens lie along the coast. I very much welcome the fact that the Government exempted parks and gardens and that the exemption was maintained by the House of Lords.

I am, however, concerned by the fact that Natural England has argued throughout in favour of the inclusion of parks and gardens. In the briefing sent to us today, Natural England says:

> "Further work is needed to clarify the scope of the Government's proposed parks and gardens exemption, and we welcome the commitment from Government to look further at this issue."

In other words, Natural England seems to imply that the parks and gardens exemptions might be waived. It must not be waived; 47,000 very ordinary people living

[Mr. Gray]

on the coast of England are watching what happens in the House today and in Committee to make sure that their privacy and right of ownership is protected. An Englishman's home is his castle, and the right of ownership is an important part of what we stand for in the House. Those people are watching the debate carefully to make sure that the legislation does not cut across their rights.

The same points apply to spreading room. Of course, I believe in headlands and beaches being available to people walking the coastal path, but the Government have introduced the rather bizarre notion of spreading room—a large area, often inland from the path, which will allow people to do all sorts of things, irrespective of what might be happening on the land, most of which is grazing land. There are cows, sheep, horses and—to a lesser extent—pigs on much of that land, but the spreading room provisions take no account of that fact. That, too, seems an unreasonable invasion of the right of the farmer to make use of his land.

The whole question of farmers' liability is not properly addressed in the Bill. What if horses, or cows, grazing on the land attack the walker—as may occasionally happen? It appears that the landowner may have some residual liability under the Bill, which seems quite wrong to me.

There are many similar things. The question of dogs has not really been addressed. I have four of them. Of course we want to take our dogs for walks along the coast and in the countryside, but those of us who take things seriously know that we must keep the dogs under close control anywhere near livestock. If the Government are indeed right in thinking that tens of thousands of people from Sheffield, Hillsborough will be walking along the coastal path, will they keep their dogs under close control, as those of us who are used to the countryside do naturally?

Martin Salter: I agree with the hon. Gentleman about parks and gardens, but does he see the contradiction in his argument? He fought the Countryside and Rights of Way Act 2000—the right to roam Act—tooth and nail on the grounds that thousands of people would be wandering willy-nilly over the countryside. Now he says that will not happen.

Mr. Gray: The hon. Gentleman is of course quite wrong. I opposed the Act simply because I believed there was no need for it, and I have been proved absolutely right. Since it was passed, the number of walkers has collapsed; far fewer people go into the countryside than before the CROW Act was passed, and I am using precisely the same argument about the Bill.

I am strongly in favour of encouraging people into the countryside and on to the coastal paths. Two thirds of our coast is already satisfactorily pathed and people are making significant use of it. I do not believe the Bill does enough to encourage that use with regard to business. It could do more to help walkers reach the seaside businesses that would benefit. Islands were mentioned earlier, but the Government have not given enough thought to estuaries and precisely where the path will go. A whole variety of detailed matters could result in an extremely good idea being brought into some disrepute. I hope that in Committee the Government will think carefully about those aspects of the Bill and allow us all to be proud of the end product.

8.43 pm

Mrs. Madeleine Moon (Bridgend) (Lab): People listening to the debate cannot fail to notice the disproportionate number of Members from Wales who have spoken. We have heard contributions from my hon. Friends the Members for Gower (Mr. Caton) and for Carmarthen, West and South Pembrokeshire (Nick Ainger) and the hon. Member for Ceredigion (Mark Williams). I apologise for mistaking a Liberal Democrat for a Plaid Cymru Member—it can happen in Wales. We have also heard from the hon. Member for Brecon and Radnorshire (Mr. Williams) and my hon. Friend the Member for Ynys Môn (Albert Owen) and I am from Bridgend.

Although it may seem ironic, more than 50 per cent. of Wales has a boundary with the sea, so the Bill is highly important to us. It is of course even more ironic that one of the few completely landlocked constituencies—Ogmore to my north—is the home of the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), who is partly responsible for the Bill. I can, however, advise the House that he regularly swoops down to Porthcawl from his eyrie at the top of the Llynfi valley, so he has wide understanding of coastal access issues.

Several hon. Members have said that the Bill is a once-in-a-lifetime opportunity to protect our marine environment for future generations. It is a good Bill, largely because the Government have been open to discussion with NGOs and colleagues, but it is still possible to make it a great Bill. Like other Members, I must declare an interest, having been a long-term member of the RSPB. I would like to thank the NGOs that have worked closely with Members, such as the RSPB, the WWF, the wildlife trusts, which had a wonderful scheme for collecting petitions on a petition fish, the Marine Conservation Society, and the Porthcawl Environment Trust.

As has been said, the UK's seas are among the richest in the world—26 species of sea birds nest around the UK coastline, and 15 of those species, including guillemots, puffins and razor-bills, nest in greater numbers in the UK than in any other European country. Six per cent. of the Welsh work force is employed in work closely related to the coast and marine environment. A healthy maritime economy, whether it is fishing, tourism or catering, relies on a healthy sea. Thirty per cent. of Welsh waters are of European importance. To protect this heritage, we need the right tools for the job.

As an island nation, we have a vast sea area, three times larger than our land area, and it harbours an amazing wealth of wildlife. Only 2.2 per cent. of our sea is protected, and that cannot be acceptable. I am pleased that in Wales the marine conservation areas around the islands of Skomer and Lundy set an example of what can be achieved. It is frightening to think that our nature reserves at sea are the equivalent of having in the UK a single nature reserve the size of Kensington gardens.

Without protection of our seas, activity by the fishing industry and climate change are having a devastating cumulative effect on the marine ecosystem, causing some of our marine wildlife to decline, sometimes irrevocably.

Mr. Drew: I thank my hon. Friend for allowing me to intervene in her excellent speech. Does she accept that one of the problems is not what is in the Bill, but what

will happen outside it? There must be conflict between employment opportunities—whether through wind turbines or the Severn barrage, which we both oppose—and conservation. We cannot ignore that, which is why that debate must be brought forward as a result of the Bill, even if not through the Bill.

Mrs. Moon: I thank my hon. Friend for that intervention. I intend to mention the subject briefly later in my speech.

The marine management organisation should be the true marine champion, fully and equally engaged with all marine sectors and interests. Its role must be a proactive one as a statutory adviser to the Infrastructure Planning Commission, with a remit to further sustainable development. We must accept that we can no longer push the marine environment beyond its limits or capacity to absorb man's abuses and exploitation of the sea.

The proposed IPC must have a statutory duty to seek and take account of the advice of the MMO on all applications for nationally significant infrastructure projects that are likely to impact upon the marine environment. An obvious example is the Severn barrage mentioned by my hon. Friend. That would cause a fundamental change to the unique nature of the Severn estuary and the wildlife there. The IPC must be required to give details of the reasons for decisions made and specify how the advice provided by the MMO has influenced its decisions. Only then can there be the transparency that we need.

I have a number of concerns relating to marine conservation zones. The priority of the Bill is that it should deliver a better framework for marine nature conservation which, as everyone has agreed, currently lags behind land-based conservation. The Government have a commitment under the world summit on sustainable development to establish a representative network of marine protection areas by 2012, and they have the same commitment under the OSPAR convention to do so by 2010. The proposals for the main conservation zones are welcome steps towards achieving that commitment, but there is a clear need to create an ecologically coherent network of such zones. I welcome the addition of clause 123(6) to (8), requiring Ministers both to prepare a statement setting out the principles that they will follow when developing the UK network of marine protection areas, and to lay that statement before the appropriate legislature, along with further details on the principles of ecological coherence in the explanatory notes to the Bill as published in the Commons.

If we are to tackle the threats to marine biodiversity, marine plans covering all UK waters must be developed and based on ecosystems, not on administrative boundaries. That is clearly a role for the statutory nature conservation bodies, but steps can be taken to strengthen the marine conservation zones so that the Bill delivers the most robust protection for UK sea life and sea birds. Like other speakers, I am concerned that the social and economic consequences of designating a site can be taken into account when making a decision about whether to designate. Many speakers have made that point, and I shall not take it further, but regional or even local socio-economic considerations must not be allowed to override national and international conservation objectives.

Marine conservation zones must be identified using sound scientific and ecological criteria alone. If a site is important to biodiversity, it should be recognised and designated. If we do not make that change, we will find it almost impossible to designate a coherent and comprehensive network of protected areas. If we keep the measure in the Bill, we are likely to end up with a few sparse conservation zones in leftover areas of the sea to which no other social or economic interest group has laid claim. That will not be sufficient to protect our marine wildlife. My right hon. Friend the Member for Scunthorpe (Mr. Morley) talked about socio-economic interests having a place, and I agree, but they should be considered in the latter stages when developing site management. That is how the process works for protected sites on land.

Many organisations are concerned that the Bill does not mention highly protected sites. My hon. Friend the Minister will be aware that in Wales, the Welsh Assembly Government have announced their intention to designate highly protected marine reserves to improve marine protection in territorial waters. I am hopeful that the UK Government will make the same commitment. A clear reference in the Bill to the network of marine protected areas, including some highly protected sites, would make stakeholders aware that the sites were a protection measure for marine wildlife and habitats, and, equally importantly, ensure that future Governments were not able to step back from the great intentions of this Government.

The Royal Society for the Protection of Birds has produced a report highlighting more than 70 sites of national importance—around the UK and in the waters adjacent to breeding seabird colonies—that should be designated as conservation zones. These include the waters around Flat Holm in the Bristol channel, which are important for lesser black-backed gulls. I should welcome an assurance from the Minister that such sites will be provided with full protection.

Research by Bangor university, which is renowned for its department of marine biology, suggests that anywhere between 14 and 20 per cent. of our seas must be protected to ensure that the UK meets its biodiversity targets. It may not be suitable to stipulate a specific figure in the Bill, but I should welcome the Minister's confirmation of how he plans to ensure that we do not simply aim for, or end up with, the minimum protection required.

It is a matter of great concern that the Bill does not provide any duty towards sustainable inshore fisheries management in Wales—in contrast to the detailed provisions set out for England, where inshore fisheries and conservation authorities will be the new management bodies. A specific responsibility for sustainable fisheries management and the promotion of marine conservation zones should be placed on Welsh Ministers, along with a commitment to report to the National Assembly in order to create long-lasting certainty and a trail of accountability. The Bill presents the one opportunity for such a legal and lasting commitment, as the National Assembly has no power to lay down such duties. Wales must not be left with a lower standard of certainty and accountability for fisheries management than England.

I am fortunate in that my constituency contains the Glamorgan heritage coast and the Newton dunes local nature reserve to the east of the coastal resort of Porthcawl, where I live, Locks Common local nature reserve in the heart of the resort, and Kenfig national nature reserve and the European Union special area for conservation

[Mrs. Moon]

to the west. Along our coast, the public can watch thousands of Manx shearwaters, fulmars and gannets, as well as seals and harbour porpoises. We must ensure that that coast is accessible to people with disabilities as well as the able-bodied, so that they too are allowed to enjoy the new opportunities for exploration.

The waters around Wales and the rest of Britain are a unique and special environment, hosting internationally important populations of species of seabird and other marine wildlife. It is therefore essential for the Bill to deliver not just adequate protection, but the best protection possible.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. As is clear to the House, a number of Members are still trying to catch my eye, and there are only about 35 minutes left before the winding-up speeches. I hope that Members will confine their speeches to 10 minutes, or perhaps even a little less.

8.57 pm

Mr. Bernard Jenkin (North Essex) (Con): This is an important Bill. It has been long in the gestation, but is welcome and, I believe, addresses many issues that are of enormous potential benefit to the communities on our coasts and to the environment. It will have major consequences for my constituency. North Essex is a largely coastal constituency which includes the southern shore of the Stour estuary, the southern shore of the Tendring Hundred, the Colne estuary and all the associated tidal creeks and Mersea island, off the Essex coast at the mouth of the Blackwater estuary, which will be familiar to the Secretary of State. Perhaps I should, like the Secretary of State, declare a very minor interest. My wife owns a little beach house on the Essex coast, although I shall not be dealing with the matters of coastal access that might make that interest relevant.

The Essex coast still supports a fishing industry, and in my constituency oysters remain extremely important to the local economy and to our cultural heritage. My objective is the survival of the non-sector fishing industry—commercial vessels which, although measuring less than 10 metres, require the allocation of fishing quota under the European Union common fisheries policy—and the survival of the native oyster industry. In fact, the two industries are mutually dependent. Oyster fishermen have traditionally supplemented their oyster catch by catching other fish outside the oyster season. Owing to the restriction on 10-metre vessels, that now requires an additional licence, which in turn requires a minimum amount of fish to be caught regardless of other activities that may be undertaken. The practice encourages overfishing—if the quota is not used up, it is lost—and imposes unnecessary penalties on fishermen as a result.

The inshore fishery around Essex requires nurturing and protection. In particular, the hatching grounds of the native Colchester oyster in the outer Blackwater estuary need more specific protection than they have enjoyed historically. Historically, the oyster beds where the young oysters are brought on are protected by ancient several orders and specific leases from the Crown Estate to the oyster fishermen. However, they dredge their young oysters from well outside that area, an area that is vulnerable to indiscriminate trawling and fishing and requires protection. Perhaps there is a case for marine conservation zones to provide such protection. I am disappointed that the Minister in another place seemed to be saying that the marine conservation zones should not be used for fishery management and protection. If they are not used for those purposes, one of the main points of the Bill will be missed.

The North Essex test of the Bill is whether the sustainability of the inshore fisheries is protected and improved; only then will Essex fishermen and their successors enjoy a sustainable industry. The Bill must also provide for recreational fishing, which I believe is one of the most unsung and under-exploited generators of employment and tourism income in the Essex area. The potential for sea bass fishing off the Essex coast, for example, is enormous and it could provide huge benefit to the area. However, I fear that the licensing regime being introduced for recreational fishermen is acting as a deterrent. Furthermore, so many of the bass are caught by netsmen. That reduces the size of the fish, and it is their size that is of particular attraction to sport fishermen. A more enlightened approach would recognise that the commercial fishermen are not the only interests to be addressed; the recreational fishermen represent a legitimate interest, and one that is perhaps more consonant with the conservation of stock.

Beyond the North Essex test, there is a wider, national—or even international—test for the Bill. It is whether it will challenge the failure of the common fisheries policy. The Bill applies only up to the 6 mile limit; it does not address the whole of the cod crisis in the North sea, for example. However, I hope that it will be a step towards making politicians more accountable for how they treat the public seas. Conservation should be the highest priority for the Government and the fishing industry; indeed, the interests of conservation and the fishing industry should go hand in hand to ensure the future of our marine habitat and the livelihoods of those who rely on it.

I urge people to watch "The End of the Line", the compelling but sobering film by my constituent Charles Clover, who wrote a book of the same title. It sets out how mankind is simply fishing our seas, species by species, to complete extinction. As my hon. Friend the Member for Arundel and South Downs (Nick Herbert) said earlier, we have become used to talking about "peak oil" in energy policy, but we have already passed "peak fish". The film describes how that level was reached some 15 years ago, although we never realised it. The Chinese bureaucrats were lying about how much fish the Chinese had caught year after year.

In fact, the total global fish catch is now in structural decline because fish stocks have been so over-exploited. More and more effective means of catching fish ensure that every year we catch a higher and higher proportion of the fish that are left. As my hon. Friend pointed out, scientists estimate that, on current trends, there will be virtually no fish left in the sea by 2048. That will have many consequences for the marine environment and global warming. Believe it or not, the defecation of fish puts alkaline into the sea, increasing its carbon absorption qualities. If we remove the fish, the sea will cease to absorb so much carbon dioxide. The issue is of massive consequence; a third of the world's population is fed on

fish. Were the fish stocks of the world to collapse, there would be an immediate security and international humanitarian crisis.

"The End of the Line" has been described as the marine conservationists' equivalent of Al Gore's "An Inconvenient Truth". It has been shown all over the country, including at Harwich's Electric Palace cinema in my constituency. It has also been shown all over London and the rest of the country. Unless we address the agenda raised by that remarkable film, we will rue the day. It is a call to arms to the citizens of the world to hold the politicians accountable for the destruction of life in our seas—life on which our own well-being ultimately depends.

I close with some remarks about the judgment in the European Court of Justice that I raised with the Secretary of State during his opening remarks. The WWF launched a court action, appealing that the cod quotas had been set not according to scientific advice but according to political pressures in the North sea. The Court ruled that even though the WWF is represented on the North sea regional advisory committee, it had no locus standi to represent what the Court called a "sufficient interest" in the decision that it sought to challenge.

That means that environmental organisations that should be able to act in the name of the citizen have no means of challenging the legality of the EU's decisions about fish. No other Government in the world are so utterly immune to legal challenge in that way. That flies in the face of the United Nations Economic Commission for Europe's Aarhus convention, which was intended to set down minimum standards on access to environmental information, public participation in decision making and access to justice in environmental issues. That raises a fundamental question that goes to the heart of the purpose of the Bill. Who owns the fish? Who owns the marine environment that we are seeking to protect? Who is liable for its degradation? Who is accountable for neglecting to stop its destruction and decline?

As a boy, I grew up regularly being taken to the west coast of Scotland, to sail in that remarkable part of the world. Even during my lifetime, a sense has grown that the bird life and sea life and the fecundity of the sea there are a shadow of their former selves. As I work around the Essex coast in my constituency, there is a sense of doom and decline about the bird life, and the vibrancy of the marine ecology and the vulnerability of those who live off it. Unless the Bill strengthens the environmental imperative and has at its heart a scientific assessment of the vulnerability of the marine ecology, it will fail in its primary objective.

9.8 pm

Barry Gardiner (Brent, North) (Lab): I am pleased to follow the hon. Member for North Essex (Mr. Jenkin) and I agree with, I think, every word that he said.

A hundred years ago in 1909, most of the British fishing fleet had no engines. The boats were sailboats, and virtually all of them were made of wood. Not one had sonar to identify where shoals of fish were. Today, our fishermen have a fleet of modern, steel-enclosed, sonar-equipped, satellite-guided vessels. They have weighted and gated trawl nets that extend for 2.5 km, yet the astonishing fact is that the British fishermen of 100 years ago caught 13 times more fish than we do today. For all our modern technology, we can do little more than vacuum up ever smaller fish in ever smaller numbers. We are fishing down the food chain.

Almost exactly two months ago, the European Commission put out its green paper on the common fisheries policy. Among its findings, we learn that 88 per cent. of the EU's stocks are overfished and that 93 per cent. of North sea cod are caught before they can breed. Globally the position is little better, with 80 per cent. of marine stocks either fully exploited or over-exploited.

A paper published in *Nature* six years ago, in 2003, concluded with the stark assessment that the global oceans had lost more than 90 per cent. of large predatory fish. However, if the average length of the fish caught off the west coast of Newfoundland fell by 1 metre between 1957 and 2000—and it did—we must not imagine that we are dealing with a collapse simply of fish and fish stocks. Rather, we are dealing with a collapse of whole ecosystems. Both target species and a huge biomass of by-catch species have been removed from continental shelf seas. With the mechanical impact of fishing gear being dragged across the sea bottom, we have seen the dreadful alteration of ecosystem structure and habitat degradation.

By-catch is not simply other fish. It includes the death of 40,000 albatrosses a year from long-line baited hooks in the Southern ocean, on lines that stretch for an almost unbelievable 150 km. By-catch also includes the 400,000 dolphins caught and drowned in yellowfin tuna nets. The point is that if we impact on one species, we impact on the whole ecosystem. That is why the loss of sand eels around the UK coast has, in turn, been accompanied by a startling decline in arctic terns, kittiwakes, guillemots and puffins.

However, it is not just what we take out of the sea that alters those ecosystems. The input into coastal waters of sediment, sewage and nutrients from agriculture and industry has led to widespread eutrophication. Dead zones are now common in the Baltic sea, the Kattegat, the Black sea and the gulf of Mexico. In those areas, it is as though evolution were running in reverse, as higher trophic fish give way to lower trophic species, corals and sea lions die, and jellyfish become the dominant planktivores in a soup of algae and bacteria. The senior researcher at the Scripps institution of oceanography has called the process "the rise of slime".

Not only is the loss of biodiversity devastating to the food supply of a global population that is predicted to rise from 6.7 billion to at least 9 billion by 2050, but there is increasing evidence that species diversity is vital for the resilience of marine fisheries. A study in *Science* by Worm et al in 2006 found that low diversity is clearly connected with low productivity of fisheries and that commercial fisheries face collapse in less than 50 years unless the trends are reversed. The study found that low biodiversity is associated with lower fishery productivity and more frequent collapses of fish stocks. It also found a lower propensity to recover after overfishing than in ecosystems that were naturally rich in biodiversity.

Perhaps nowhere is the fragility of our marine ecosystems seen better than in the effects of global warming and rising levels of CO_2 in our atmosphere on coral reefs. Some of the carbon dissolves in the upper layers of the ocean, making today's water 30 per cent. more acidic than before the industrial revolution. That acidity affects the pteropods and other forms of life with

[Barry Gardiner]

calcium carbonate shells or skeletons. Coral is particularly at risk from the acidification of the oceans. Coral reefs are some of the oldest and certainly some of the longest-living structures on the planet. One quarter of all sea species spend at least part of their lives in a reef. Globally, 500 million people depend on such reefs for their food and livelihoods. Yet coral bleaching from warmer oceans and increased acidification from higher atmospheric CO_2 are putting increased stress on reef ecosystems. Last year, the Global Coral Reef Monitoring Network published a paper entitled "Status of Coral Reefs of the World", in which it was estimated that 19 per cent. of coral reefs were already lost, with a further 15 per cent. under imminent threat and a further 20 per cent. facing loss before 2050.

To us in Britain, coral reefs sound distinctly tropical and remote, but cold water coral is particularly at risk from acidification, because colder seas tend to be more acidic anyway. Only 11 years ago, here in the UK, we saw the destruction of part of the Darwin Mounds, the extensive colonies of cold water coral off the north-west coast of Scotland, almost as soon as they were discovered. The reason for that ecological vandalism was that trawlermen were eager to get at the large bounty of fish that gravitated to the reef. A bulldozer with an aqualung could not have done a better job of destroying it.

I have tried to set out clearly the very real need upon which this Bill is predicated. In that the Bill aims to initiate flexible, integrated coastal zone management in UK waters, including inshore areas and the exclusive economic zone, it is the first serious attempt to set out in statute a framework for marine planning and licensing and a coherent network of marine protected areas that can help to manage our marine environment. Much of this task is being placed under the authority of the new marine management organisation, and offshore fisheries are managed generally under the auspices of the EU common fisheries policy. It is worthy of note—and, of course, welcome—that the Commission is currently reviewing the CFP. I urge the Secretary of State to ensure that the timing of the Bill is propitious in ensuring a seamless integration with a revised CFP.

I want to turn briefly to some of the elements of the Bill that have been mentioned so far, and particularly to the need to take into account socio-economic factors. Section 4.2 of the European Commission's green paper makes an important point, which the Bill as it stands does not yet fully take into account. It states:

> "Economic and social sustainability require productive fish stocks and healthy marine ecosystems. The economic and social viability of fisheries can only result from restoring the productivity of fish stocks. There is, therefore, no conflict between ecological, economic and social objectives in the long term. However, these objectives can and do clash in the short term, especially when fishing opportunities have to be temporarily reduced in order to rebuild overexploited stocks. Social objectives such as employment have often been invoked to advocate more generous short-term fishing opportunities: the result has always been to further jeopardise the state of the stocks and the future of the fishermen who make a living out of them."

I believe that Ministers would do well to heed that advice and to integrate it into the body of the Bill. The prioritisation of short-term socio-economic considerations has led to the setting of quotas for European fish stocks 48 per cent. above scientific recommendations, resulting in chronic overfishing in the European area. Earlier, the Secretary of State referred to the need to take sound scientific advice, and I absolutely agree with him on that. Tragically, however, history shows that politicians have always been keen to ignore that scientific advice when socio-economic and political considerations have come into play.

The other issue is that of quantity versus quality, and the question of whether we should designate a proportion of the sea for marine conservation zones. There is now considerable scientific literature discussing the area of marine habitats that need to be protected to ensure the viability of the protected habitats and to contribute substantially to fisheries management. Reviews of that literature by Balmford et al in 2004 suggest that a target to sustain fisheries outside marine protected areas is in the region of between 10 and 50 per cent. of the area of the world's oceans, with a modal value of approximately 30 per cent. In addition, the World Parks Congress has explicitly called for marine reserves to cover 20 to 30 per cent. of all marine habitats by 2012. It is important to look at the science in this context, because this is not simply a question of quality; quantity affects quality, and that factor, too, must be integrated into the Bill.

I agree with what hon. Members have already said about the issue of disturbance. In relation to the defence, it is ridiculous that an act carried out for the purpose or in the course of—

Mr. Deputy Speaker: Order.

9.20 pm

Dr. Desmond Turner (Brighton, Kemptown) (Lab): This debate has centred almost entirely on conservation. I do not wish to denigrate its importance: serious conservation measures are long overdue. But what is also long overdue is a sensible regime for making maximum use of our offshore waters as an environmental defence, because that is what they offer us in terms of marine renewable energy.

We have a nascent wave and tidal stream power industry, which is teetering on the verge of commercial exploitation. One of its great barriers is the consenting regime, which is, frankly, diabolical. It is one of the biggest hurdles to the small companies that are involved in these efforts. It is also, and has been, a disincentive for major projects such as large offshore wind farms, as it takes three years to get through the environmental consenting process—twice as long as in any other European country. Does this mean that we have had better quality decision making? I think not; it has just taken longer.

Let me quote a wonderful example of exactly what I mean. Marine Current Turbines has deployed in Strangford loch in Northern Ireland a 1.2 MW tidal stream turbine. It has been developed over many years and it is working beautifully. It has no measurable environmental impact whatever, yet it took two to three years to get environmental consent, which was granted most grudgingly, mainly because conservationists—in this particular instance, marine ecologists, namely seal lovers—took the narrowest perspective they could possibly take.

The seal populations of the area had already changed quite drastically over recent years. Why had they changed? It was not because there was a turbine and the seals were afraid that it would mash them up. No, it had

changed because of global warming: habitats and ecosystems were moving north, so the seal populations changed accordingly. Even now, because of the restrictions on it, this machine is allowed to run for only half a tide a day. It has to have two marine mammal observers on it at all times of its operation, yet no seal has ever come near it; seals are far too smart. It is totally benign. It is costing this company £4 million to carry out this environmental monitoring on a project that started out with a £10 million total value—it is totally disproportionate.

That is why there are serious concerns in the renewable energy industry about the balance of the Bill and how it will be implemented. The limit for reference to the integrated pollution control is 100 MW, but it will be some years before either wave or tidal stream technologies are ready to be deployed at more than 100 MW. By definition, all the projects will be less than 100 MW. They are none the less of very great strategic significance. We have in our coastal waters a raw energy resource that at the very least can supply half of our renewables target for 2020 and is in itself a weapon to resist climate change, which, even after the depredations of industrial fishing, brings the greatest long-term threat to our marine ecosystems. It is my contention, and that of the industry, that there is and should be no conflict whatever between conservation zones and the installation of renewable energy devices. In fact, there is a synergy; clearly, if there is a farm of turbines, fishing is not allowed there, so fish stocks get a chance to regenerate. This synergy must be promoted. Fortunately, some NGOs—notably WWF—have cottoned on to this and see this holistic truth, which is vital.

I suggest that the MMO, which according to the Bill is to be the consenting organisation for marine energy projects of less than 100 MW, is not, under current plans, equipped to do that job. It is projected to have one and a half staff to deal with marine energy, which is quite absurd. It would make far more sense if all marine energy projects were to be referred for consent to the IPC with the MMO being a statutory consultee. I am not suggesting that it should be cut out; obviously it will have an important monitoring role. But, as envisaged, the MMO is not equipped to do the important job of consenting. It is vital that the consenting process be streamlined and improved. We do not want the constant repetition of investigations for every individual project. Once there is a machine such as the MCT turbine, and once its environmental benignity has been clearly established, which it has, we can safely say that it could be put down anywhere without damaging marine mammals or anything. The environmental consenting process could be simplified immediately.

The other factor is that the industry is at a critical stage. Given the credit crunch, getting investment into offshore marine projects is extremely difficult at the moment; in fact, it is practically impossible. Investors have shut up shop. They do not need any further disincentive to resist the temptation to invest, and excessive consenting costs and the excessive duration of the consenting process are serious impediments.

If we are serious about tackling climate change and about decarbonising our electricity supply, and we have to be, we need to use the resources that our seas have. They are uniquely rich. There is no country in the world that has better energy resources in its offshore waters. We must make the best use of them, and although I strongly welcome the Bill, I am still disappointed by its balance. It is just as important to make the most of our marine energy resources as it is to have effective conservation of our marine ecosystems. The two things should go hand in hand. There is no need for conflict. There should be total synergy, and if we get this right, we can use our offshore waters as a potent weapon against climate change and reap the benefit of having many thousands of jobs and a genuinely green, environmentally benign industry. This is just as big an opportunity as anything else that has been mentioned this afternoon in the context of the Bill. This must be got right, and I say constructively that I do not think the balance is right at present. It is, perhaps, unfortunate that DEFRA no longer has any energy responsibilities or direct energy interests; that is a disadvantage in terms of this measure. The Bill is, however, vital in respect of energy considerations, and I implore my right hon. Friend the Secretary of State to get it right.

9.31 pm

Mr. Richard Benyon (Newbury) (Con): First, may I warmly welcome you, Mr. Speaker, to your position, and add that it is fitting that the first debate that you are overseeing in this House is of such importance?

It is a great pleasure to be winding up on behalf of the official Opposition. I must apologise to Members if there is a slight aura of fish around me today, but I was at Billingsgate at 6 o'clock this morning to discuss, in accordance with my shadow Front-Bench duties, marine sustainability. I am therefore coming to this debate fizzing with enthusiasm for the subject, my mind stimulated by omega 3, a vital ingredient in fish.

As many hon. Members have said, we are discussing a very important issue, and we have had an excellent debate. This is an historic opportunity to put a landmark Bill on to the statute book, providing a framework for the protection of the marine environment for future generations. As my hon. Friend the Member for Arundel and South Downs (Nick Herbert) said, the Conservatives have pushed for a marine Bill for a number of years, and it is with great pleasure that we see it enter the Commons, and in a much better state than it entered the other place. We may take a lesson from that: their lordships did not have a programme motion or a guillotine in place, yet they managed to tease out so many more issues and thereby improve the Bill. It is a credit to their lordships that we now have a serious Bill that will implement some very positive conservation measures for our seas and give the public greater access to our coastline. There is, however, still some work to be done before this Bill reaches its full potential.

There have been a number of excellent contributions this evening, but may I start by paying tribute to my hon. Friend the Member for Uxbridge (Mr. Randall)? If this Bill could have a paternity test, he would be the daddy, as it was his idea all those years ago in his private Member's Bill. He made an excellent speech, which was full of passion and love for our seas and its birdlife. He gave us a great mental glimpse of the sea, where we should take our battered souls for restoration. There can be no better advice than that.

My hon. Friend the Member for Arundel and South Downs spoke about the need to put this in a European context. There is no point in protecting our seas from

[Mr. Richard Benyon]

our own fishermen if we are not going to get that protection secured at the European level. This Bill must, therefore, go hand in glove with common fisheries policy reform. The right hon. Member for Scunthorpe (Mr. Morley) made an important contribution, in which he spoke about the need for differentiation between types of marine conservation zone. Like many other Members, he also talked about the compatibility between MCZs and wind generation in terms of protection. My hon. Friend the Member for Gosport (Sir Peter Viggers) said that our overall priority must be conservation. As he and many hon. Members said, we have one chance in a generation. He is right and I am deeply conscious of that fact, as are all who are involved in this Bill.

The hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) spoke about how the Bill will impact on his constituency and pointed out that its coastline incorporates tourism, energy, conservation and many other uses. He spoke about the need for expertise in the marine management organisation, and I entirely concur with his view that engineering expertise is as important as scientific understanding.

The hon. Gentleman spoke about tourism—an issue that I will come back to—in the context of coastal access. It is vital to understand that in order to encourage people to visit our coastline, it is not good enough just to have a coastal path: we have to work with local authorities to get access points, which is why it is so important that local authorities become involved in the creation of car parks and other connecting points.

Some of my hon. Friends expressed legitimate concerns about the Bill's coastal access provisions. I can assure them that I take their concerns very seriously; there is much to be teased out in Committee. I know a little bit about providing access in the countryside. I know how voluntary access arrangements work, and I will represent their views as best I can in Committee.

The hon. Member for Ceredigion (Mark Williams) spoke about how little protection was afforded to Cardigan bay under special area of conservation status. We all know what has happened in Cardigan bay, and we will have those factors in mind as we progress the Bill.

The hon. Member for Reading, West (Martin Salter) made a moving plea on behalf of dukes and landed estates for their sporting rights. I can assure him that the Opposition are deeply mindful of hard-working members of the public with wildfowling rights, for example. We will bear such issues in mind, and I look forward to working with the hon. Gentleman to support the interests of all legitimate users of coastal Britain.

The hon. Member for Bridgend (Mrs. Moon) spoke with real passion about her own coastline and how the Bill will enhance and help the environment in her constituency. My hon. Friend the Member for North Essex (Mr. Jenkin) raised the important point made by the film "The End of the Line" and said that although we may have yet to experience peak oil, we have certainly experienced "peak fish". We have to represent these views as we progress the Bill. A number of other Members made important points that I do not have time to cover.

The health of the marine environment is a critical issue on which we must act immediately if we are to tackle climate change and secure the sustainability of our fisheries and the conservation of endangered marine flora and fauna. It is no exaggeration to say that the UK marine environment is in trouble. Some important fish stocks are in dire straits. Marine biodiversity is suffering, and as my hon. Friend the Member for Arundel and South Downs pointed out, given that more than 50 per cent. of the UK's total biodiversity is found in our seas, this presents a challenge that we must grasp.

It is a matter of collective failure that we have long since waved goodbye to our 2010 biodiversity targets. However, the Bill provides us with a unique opportunity to tackle problems in the marine environment head-on, effectively and coherently. This is not a Bill for the here and now. It has to be robust enough to address fast-changing technologies, as discussed by the hon. Member for Brighton, Kemptown (Dr. Turner). In discussing technologies in Strangford loch, which were developed in my constituency, he made a very important point. We have to address fast-changing technologies in power generation in particular, and be flexible enough to deal with changing environmental factors in our seas. Areas considered relatively benign in conservation terms today may be fragile ecosystems in desperate need of protection in 10 or 20 years' time.

Marine conservation zones have the potential to be an extremely effective conservation tool that will make a real difference to the marine environment, but that will happen only if they form a coherent, dynamic and flexible network that can respond to the changing needs of our seas.

There are those who, for wholly understandable motives, wish us to commit to a clear percentage of sea to be protected. The problem with an arbitrary figure is that it can be relatively easily reached by protecting areas of relatively little ecological benefit. Let us be honest: there are some difficult decisions ahead, as the hon. Member for Reading, West, said. Ministers, now and in future, may have to make difficult choices affecting communities on our coasts. An arbitrary figure would be more likely to encourage people to take the path of least resistance to achieve a headline percentage, when what is needed is a science-based, ecologically coherent decision process.

I was pleased to see that in the other place further clarification of the nature of MCZ networks was achieved. However, during the Bill's passage through this House, I hope to gain further clarification of how the Government intend to ensure the ecologically coherent network that our seas so desperately need. I heard this morning, on my visit to Billingsgate, about how the mapping of our inshore waters can be completed by the end of 2010; that can form the basis of the protection zones that we need.

We must avoid closing ourselves off to the potential benefits of dual use—an issue mentioned by the right hon. Member for Scunthorpe—within appropriate MCZs. For example, in a flexible network, there may be opportunities for offshore wind to work in harmony with the conservation aims of an MCZ while aiding enforcement. To achieve the successful protection of marine areas, proposals for MCZs need to have integrity, and integrity will come only from a widespread, transparent consultation process—a point made by the hon. Member for Gower (Mr. Caton). If designations are deemed to be the property of a few interested parties, rather than being based on the accepted view of many, they will lack the legitimacy that they need to succeed.

As Lord Taylor of Holbeach said in the Lords, the MMO needs to be the standard bearer for our seas. As my hon. Friend the Member for Arundel and South Downs said, although the role of the MMO has been bolstered by some amendments in the Lords, we remain concerned about its relationship with the Infrastructure Planning Commission. If the MMO is to be able effectively to manage planning within our seas, it should have control of everything in the marine environment. By giving the MMO piecemeal control we are diluting its role, and therefore its effectiveness.

There is concern about the state of preparedness for the MMO. In a very short time, we will need to appoint a chairman, a chief executive and a board. I am particularly concerned about the expertise currently found in the Marine and Fisheries Agency. Many of its staff have said that they are unwilling to move to the new organisation, or have not been consulted enough on the move. It is crucial that we carry them with us.

In the last few moments available to me, I should like to mention coastal access. A number of hon. Members raised important points on that issue, some of which I have covered. Although we agree with the Government that it is an honourable ambition to increase access to our coastline, the Government have introduced the measure in a rather blunt fashion. I am delighted that, in the other place, the Government conceded the need for an independent right of appeal; to their credit, they listened to the very good arguments put forward. However, there remain concerns about the legitimate rights of landowners, land managers and small coastal businesses, over whose land the path will travel. I give notice to the Under-Secretary that there are issues of safety, liability, privacy and—most importantly, perhaps—biosecurity that we need to address in Committee; we will need to make improvements in respect of those issues.

In conclusion, I assure the House that our intention is to persist with the positive, consensual attitude adopted in another place to carrying the Bill through its stages. It is vital that it gets on to the statute book as soon as possible, but not at the expense of proper, diligent examination in Committee. Those who believe that concern for our marine environment is the sole interest of fishermen and conservationists make a big mistake. There is growing concern across the country about falling fish stocks and damage to our marine environment, as well as increasing understanding of the fundamental role that our seas play in everyone's quality of life, as a key component in the climate change debate.

The many thousands of people who have seen the film discussed by my hon. Friend the Member for North Essex, "The End of the Line", will have seen a compelling critique of the global marine environment. They are asking politicians here and abroad legitimate questions about our stewardship of the seas. Now is not the time to be half-hearted or timid. It is our duty to make sure that we create robust, effective legislation. This is a once-in-a-generation opportunity that we simply cannot miss.

9.45 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I welcome you, Mr. Speaker, to the Chair on the occasion of these august proceedings. It is an apt debate for you to join us, because—as has already been pointed out—this is a once-in-a-lifetime opportunity and an historic Bill. Those phrases are often over-used, but it is true in this case. This is the first Bill over whose Second Reading you have presided and, if we get it right, it will be a landmark not only for this place, but for this country, Europe and the rest of world. We will lead the way in marine management for future generations.

I am fortunate—I know that the Under-Secretary of State for Scotland, my hon. Friend the Member for Glasgow, North (Ann McKechin), and my right hon. Friend the Secretary of State feel fortunate too—to inherit this Bill from a succession of very able Ministers, many of whom have spoken in this debate today. They have advocated this approach, and we are fortunate in being able to take it on to the next stage.

I am pleased to follow the hon. Member for Newbury (Mr. Benyon), who has taken a constructive approach. We saw the same in the other place, and that is how we will make progress. We need to focus on the important issues that will refine, improve and strengthen the Bill. A strong Bill went into the other place, and an even stronger one has come out of it. There may be more that we can do, but we will discuss that in Committee.

I am tempted to say "Thank the Lord" that we have reached this position. I am excited that the Bill will have its Second Reading tonight and look forward to the Committee stage. Perhaps I should say "Thank the Lords", but I am not supposed to refer to them in that way, so I shall just say thanks to the other place. Thanks to its work, we have a stronger and clearer general objective for the marine management organisation in relation to sustainable development, its use of science and other evidence to underpin decision making, and its relationship with the Infrastructure Planning Commission. We also have additional provisions for parliamentary scrutiny with new duties on Ministers to report on marine planning progress; to make a statement to Parliament on principles to be followed in implementing the duty to contribute to a network of marine conservation sites; and to lay sustainable development guidance for the MMO before Parliament, which is where it should be. We also have a requirement on Government to publish a sustainability appraisal of the marine documents, a clearer description of roles for local authorities in marine licensing and coastal access, a clearer duty to designate marine conservation zones, the introduction of a 12-month time limit to designation once intention has been published, and the addition of reckless damage into general offences. Finally, and not least—as has been remarked—we have the addition of the procedure for making objections and representations about coastal access reports.

The hon. Member for Arundel and South Downs (Nick Herbert) mentioned delay, but after a long period of pre-legislative scrutiny, we now have a very good Bill. He referred to the links with the Infrastructure Planning Commission and his objections to that body as it stands. The Bill and the Planning Act 2008 have been developed in parallel, and the roles of the marine management organisation and the IPC are complementary. The marine management organisation will license most projects and developments in English territorial and UK offshore waters, which include marinas, coastal habitat creation, aggregate dredging and renewable energy installations.

The IPC, as set out in the Planning Act 2008, will consider applications for "nationally significant" infrastructure projects. In the marine area, that means the largest

[Huw Irranca-Davies]

ports and renewable energy installations that will generate more than 100 MW of power. When the IPC is the consenting authority, the MMO will lend its expertise through the IPC and will act in a close advisory role on the marine aspects of each project. After consent has been given the MMO will monitor and enforce those consent conditions. As the Bill went through the other place, we considered that relationship and, although we need to bolt it down, I think that we have done that very effectively.

The Government listened very closely to the debates in the other place on the relationship between the two bodies and agreed to reflect in primary legislation the important role that the MMO will have in applications for development consent by bringing forward amendments to the Planning Act 2008. So, as the hon. Member for Arundel and South Downs remarked, we have been a listening Government and we have acted on many of these parts of the Bill.

Several hon. Members remarked on aspects of socio-economic criteria in site designation. Marine conservation zone site proposals will be based on scientific evidence and the scientific evidence will be the first consideration in the designation of each site. There will obviously be some cases in which the need for conservation must prevail, but there will be other cases where we have options, particularly when designating representative sites. We might have more choice of potential locations and about the size and shape of the marine conservation zones.

In such circumstances, it would be sensible and appropriate to be able to take account of socio-economic considerations in deciding where a site or a group of sites should be designated. We would be shooting ourselves in the foot if we did not take reasonable steps to minimise the impact of MCZs on what, as has rightly been pointed out, could be vital economic activity or could be vital to our energy needs—especially if we can do so while still achieving our conservation objectives.

Let me turn to the issue of ecologically coherent networks. Ministers in the other place and I have repeatedly made it clear that we intend to subscribe to those networks. The Government are fully committed to contributing to an ecologically coherent network. We have included three core principles in clause 123(3) that set out the basis of the UK network. They are based on the definition of ecological coherence developed for OSPAR, the convention for the protection of the marine environment of the north-east Atlantic. Let me give the House the three underpinning principles from OSPAR which ensure that we will deliver that ecologically coherent network. The first is that it should contribute to the conservation of the marine environment, the second is that it should protect features that represent a range of features present in the UK marine area and the third is that it should reflect the fact that conservation of a feature may require more than one site to be designated. Those are the principles. The definition of an ecologically coherent network, as we all know, can vary all the time. There might be a better version as time goes by. We might need to improve it. Let us not come back to primary legislation to do that—let us put the principles in, deal with them and then move on.

The commitment in clause 123(3), alongside the requirement to satisfy our European and international commitments, as found in clause 124(4), and the clear duty to designate marine conservation zones effectively enables the Government to deliver a network that is ecologically coherent. However, let me go further. To ensure transparency in the principles that we will use to design the network and further to demonstrate the Government's commitment, we amended the Bill on Third Reading in the other place to insert clause 123(6) and (7). Those subsections require the appropriate authority—Scottish and Welsh Ministers and the Secretary of State—to lay a statement before the relevant legislature, setting out the principles that it will follow in designating areas so as to contribute to that network. Statements might also include other matters that the relevant Minister considers to be relevant. The statement must be made within two months of the commencement of the Bill's nature conservation provisions, must be kept under review and must be updated if necessary. Those safeguards will allow us to take the concept forward as it evolves, and make sure that we report back so that people can hear about what we are delivering. In the other place, Lord Eden of Winton summed this up very well when he said:

> "It is important that the legislation should contain sufficient flexibility to allow improvements to be generated as further knowledge is gained from the experience of the establishment of marine conservation zones."—[*Official Report, House of Lords*, 8 June 2009; Vol. 711, c. 435.]

I turn now to aspects of the Bill mentioned by other hon. Members. The hon. Member for Arundel and South Downs and others raised the involvement of local authorities in the designation and implementation of the coastal path. The Government's intention has always been to involve local authorities fully in many aspects of the Bill. We see them as extremely important partners, not least in the coastal access project. Following the constructive discussions that we had in the other place, we have amended the Bill to make that clear.

We believe that the English coastal access authorities—defined in the Countryside and Rights of Way Act 2000 as the local highway authority, or the national park authority in a national park—are best placed to manage many aspects of the local implementation. They include consulting local interests, contacting and discussing options with landowners, and managing the work required. Where those authorities are willing and able to act, they will be fully involved in the implementation of these proposals.

My right hon. Friend the Member for Scunthorpe (Mr. Morley) made a very constructive contribution. I pay tribute to him for his work, just as he paid tribute to the work that this Government have done in bringing forward the Bill. We need to take account of socio-economics, but we have to get the balance right. We know the expectations outside the House, but we have to deliver what the Bill proposes. We must deliver sustainability in the seas and conservation, but the Bill is also about securing sustainable livelihoods. I am looking forward to teasing out that balance in Committee.

My right hon. Friend the Member for Scunthorpe asked about the general objectives and responses of the proposed MMO. He called for further changes to its objectives, but the Bill as a whole is designed to put in place better systems for delivering the sustainable development of the marine and coastal environment. The MMO will be the Government's strategic delivery

body in the marine area, and will be required to have regard to all aspects of sustainable development in carrying out its responsibilities.

I join the hon. Member for St. Ives (Andrew George) in paying tribute to the work of the lifeguard and emergency services in the recent incident to which he referred, but we must never forget what they do every day and every week. Fishermen are part of the solution as well as the challenge that we face. The Bill is predicated on bringing people with us so that they own the solution and play their part in solving some of the challenges.

In respect of two-tier marine conservation zones with highly protected areas, the Government expect that there will be highly protected areas in the MCZs. However, there will be other areas in which the wide variety of interests can be represented. What we do not want is to have super-duper versions called "highly protected areas" and others that are not as good. All the MCZs will be important, and will contribute to the ecologically coherent network.

My hon. Friend the Member for Gower (Mr. Caton) made some valid points about ecologically coherent networks, socio-economics and the sea fisheries defence. That latter point, which was also raised by other hon. Members, is something that we will return to in Committee. He also referred to seascapes, another matter that I am sure will come up in Committee. Seascapes are mentioned in the high-level marine objectives that were published earlier in the year, and they will be covered by the marine policy statement. Moreover, locally important seascapes can be recognised in marine plans.

The hon. Member for Gosport (Sir Peter Viggers) spoke about co-ordination across boundaries. He was absolutely right and, as we go into Committee, I can assure him that we have the right structures to deal with Wales, Scotland and so on.

Many other hon. Members made valuable contributions in what was a passionate and well informed debate. I am looking forward to our deliberations in Committee: the Bill has already been improved significantly, but it will become better still in the next stage of discussion.

Question put and agreed to.

Bill accordingly read a Second time.

MARINE AND COASTAL ACCESS BILL [*LORDS*] (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Marine and Coastal Access Bill [Lords]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 16 July 2009.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—*(Mr. Watts.)*

Question agreed to.

MARINE AND COASTAL ACCESS BILL [*LORDS*] (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)).

That, for the purposes of any Act resulting from the Marine and Coastal Access Bill [*Lords*] it is expedient to authorise—

(a) the payment out of money provided by Parliament of—

(i) any expenditure incurred by a Minister of the Crown or government department under or by virtue of the Act, and

(ii) any increase attributable to the Act in the sums payable out of money so provided under any other Act, and

(b) the making of payments into the Consolidated Fund.—*(Mr. Watts.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith, (Standing Order No. 118(6)),

FINANCIAL SERVICES AND MARKETS

That the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I., 2009, No. 1342), dated 1 June 2009, a copy of which was laid before this House on 2 June, be approved.—*(Mr. Watts.)*

Question agreed to.

BUSINESS OF THE HOUSE

Motion made,

That, in respect of the Parliamentary Standards Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*(Mr. Watts.)*

Hon. Members: Object.

Edgbaston Cricket Ground

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

10 pm

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): I am most grateful to have the opportunity to raise the issue of the redevelopment of Edgbaston cricket ground, which has generated an enormous amount of interest and concern among the communities surrounding the ground.

The Warwickshire county cricket ground at Edgbaston has both a national and an international reputation. There is no doubt that a facility such as Edgbaston gives added value to the city. However, like other sporting venues in the city, including St. Andrews and Villa Park, Edgbaston is located in a primarily residential area—it is described as leafy—so it has to take account of the impact of its activities on the local community, not least in terms of congestion, parking and noise when matches are held. Although some local residents would prefer the cricket club to relocate elsewhere, I believe that the majority are not opposed to the club remaining at Edgbaston, provided its activities do not impact unreasonably on the residents and the local environment.

The planning application submitted by Warwickshire county cricket club towards the end of 2008 was for

"a new stand incorporating spectator seating, player, media and visitor facilities, museum and library, club shop and offices, conferencing, banqueting and exhibition facilities. The erection of five floodlighting columns and lights. Demolition of two dwelling houses at the Cricket Club and twelve houses on Pershore Road. Erection of mixed use development comprising residential, offices and hotel, retail, restaurants and cafes, pubs and bars as well as leisure facilities and a crèche together with service basement and multi-storey car parking and public plaza and hard and soft landscaping".

I think the House will agree that the application was not for the replacement of old, dilapidated stands, but for a major redevelopment of the ground, which I very much equate with the "Chelsea village" concept incorporated in the redevelopment of Stamford Bridge football ground. The club estimated the cost of the scheme at £32 million.

It is acknowledged that the facilities at Edgbaston needed to be improved and updated. Account also needed to be taken of the stipulation laid down by the England and Wales Cricket Board—the ECB—that if Edgbaston wished to host international day-night matches it would need to install permanent floodlighting bases—not floodlighting pylons—at the ground.

When the planning application went to the council's planning committee on 12 May, there was considerable annoyance locally that discussions and consultations with local residents and community organisations had been limited. At the meeting, the planning application was approved by nine votes to four. However, it had already been revealed that for some time the council's cabinet had been in discussions with the club about the possibility that a £20 million-plus loan might be made available to assist with the redevelopment.

As part of the discussions, a report went to the cabinet on 6 April. Its most important point was that if the council did not make the loan to Warwickshire county cricket club, it

"would mean that if this project were to proceed commercial loans at increased cost will be required and would reduce significantly the scale of any…development."

So a request for a loan of £20 million was being made to the council's cabinet before planning permission had been given for the scheme. Furthermore, the report that went to the council reminded councillors that if they refused to grant the loan of £20 million, it would, as I said,

"significantly reduce the scale of the development."

Surely that puts the council in a very strong position in its negotiations with the Warwickshire county cricket club. The question is, therefore, whether it will use its strength to support the reasonable request of the local community, or give in to what the club is proposing.

After the planning committee approved the application, it was notified to the Government office for the west midlands, and there was a widespread expectation that the application would be called in because of the scale of the development and the fact that that development was taking place at a major national sporting arena. Furthermore, there had been an inquiry by a Government inspector in 2000, when Birmingham city council had resisted the erection of four permanent floodlighting installations of 52 m in height at Edgbaston, and the inspector dismissed the appeal by the Warwickshire county cricket club. The five pylons now being proposed are 50 m in height.

The Secretary of State, in her wisdom, decided that the application should be decided by the city council. I believe there was justification for calling in the application. I know that this view is shared by other local hon. Members and local residents and community groups. Will the Minister therefore explain the reasoning behind not calling in the application, when the previous one in 2000 was called in?

Lynne Jones (Birmingham, Selly Oak) (Lab): It is not quite correct to say that the previous application was called in, because the council did not determine the application, so it went to appeal. That is how it found its way to the inspector's desk. However, the council said that

"had it been able to decide the application, it would have refused it on grounds that it would have adversely affected the amenities of occupiers of dwellings in the vicinity by reason of noise and disturbance, visual impact, light pollution and glare from floodlighting, and traffic and parking congestion."

The inspector who decided the appeal dismissed it, agreeing with many of the council's objections. That raises the question why the council approved the current application so quickly.

Mr. Speaker: Order.

Mr. Godsiff: I am grateful to my hon. Friend for those points.

Will the Minister give an assurance that the five questions put by the 14 local resident and forum groups in their joint letter of 6 June to the Government office for the west midlands will receive a response, as they are all relevant to the decision-making process regarding the application?

The application is now in the hands of the city council, and in view of the fact that the Warwickshire county cricket club is seeking a preferential loan from

the city. I hope that the Conservative-Liberal-controlled council will insist that before any finance is made available, the club engages in meaningful and ongoing discussions with community groups about how to minimise inconvenience caused by the increasing numbers of spectators attending functions and international matches, and most importantly, that the five floodlight pylons are retractable, rather than permanent.

It appears that a local councillor has already attended a meeting that was held by the council leader on Monday, at which he is alleged to have said that he—the council leader—voted against permanent floodlights when he was a member of the planning committee in 2000. It also appears that assurances were given at that meeting that any loan would be conditional upon further "consultations", as the note says. However, it is not stated with whom those consultations will take place.

Above all, nothing appears to have been said at the meeting about the council's position on permanent or retractable lights. I strongly believe that there is a basic pre-requisite for any loan to be conditional upon retractable lights at Edgbaston. When the Department's inspector considered the appeal by the cricket club to erect four permanent floodlight pylons in 2000, he was scathing in his objections. He stated in paragraph 25 of his report:

"My conclusion is that the proposal would result in substantial harm to the character and appearance of the area".

In paragraph 27, he said that

"their proximity to residential dwellings would be unacceptably dominating for local residents—many houses would become substantially less pleasant places in which to live."

Most importantly, in paragraph 40 of his report, he states:

"PPG 24 which deals with noise from recreational and sporting activities requires that the enjoyment of the participants should be balanced against the nuisance to other people."

He concludes:

"This I have done, and I find permanent lights to be unacceptable."

I assure the Minister that the rest of the report was equally scathing.

Warwickshire county cricket club, in the planning application that it has now submitted, says that it has considered

"retractable floodlight columns which would retract to a height of 25 m when not in use."

However, it then says, according to the council report, that the technology is unproven for cricket's requirements and goes on to suggest, amazingly, that lights at a height of 25 m would be more obtrusive than lights at 50 m. The club finally ends by saying that unless permission were given for permanently erected floodlights, which it proposes, Edgbaston would lose its test status. That is totally untrue and misleading.

We all know that the home of cricket is Lord's, and the ECB operates from there. Lord's has installed four retractable floodlights, which rise to a height of 48 m when fully erected and are lowered to a height of 29 m when not in use. They take approximately 20 minutes to erect. Furthermore, at the Oval, where the president of Surrey cricket club is the former Prime Minister Sir John Major, retractable lights have also been installed. The company that installed both sets of lights is Abacus Lighting, and it has also installed similar retractable floodlights at other sporting venues throughout the world. In a trade magazine article, its head of marketing, Kelly Herrick, makes a potent point:

"Our new patented telescopic masts proved the perfect solution to overcome the strict planning regulations set out by the local authority. The ground is set in a densely residential area so both the design and lighting overspill had to take in to consideration how the local residents could be affected."

That is exactly the situation at Edgbaston.

Of course, it is more expensive to install retractable floodlights rather than permanent ones, but I put it to the Minister that, if the home of cricket can have retractable floodlights to preserve the attractiveness of St. John's Wood for the people who live there, why is the same consideration not to be given to the people of Balsall Heath and Moseley? If Warwickshire county cricket club were to refuse to make those reasonable concessions, many people living in the area would say that the council should not make any loan available to the club; and I, for one, would totally agree.

10.13 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): Mr. Speaker, it gives me great pleasure—indeed, I consider it an honour—to be the Minister responding to this Adjournment debate, as this is your first such debate in your new and deserved role as Speaker. You are responsible for my carrying out an act that I thought was impossible—namely, voting Conservative three times yesterday. But, I believe that it was a price worth paying. I congratulate my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) on securing this debate about an issue that I know is important to him, to a number of his constituents and to those living in the area.

I shall provide some background to the redevelopment of Edgbaston cricket ground. I know that my hon. Friend recognises that Edgbaston is one of the key international sporting venues in the west midlands region. The cricket club is considered to be one of the largest of the 18 major county clubs that make up the English domestic cricket structure, and the ground has regularly been used as a test and one-day international venue.

The cricket club estimates that average attendance in 2008 ranged from 1,334 for the Friends Provident trophy to 7,958 for the Twenty20 cup. Test match fixtures average between 12,000 and 17,000 spectators per day, and one-day internationals usually sell out at 21,000 capacity. The club calculates that up to 200,000 spectators visit the stadium per year. It employs 78 full-time staff and a further 20 staff for regular events held at the club, and some 600 temporary staff are employed on each international match day.

The club estimates that the major matches staged in Edgbaston contribute up to £12 million per annum to the local economy. I know that my hon. Friend recognises the value of that to Birmingham in terms of the visitor economy and the prestige of hosting international cricket. However, the club believes that it faces increasing competition in hosting major matches. Historically, test match cricket in England has been held at six locations: the Oval, Lord's, Old Trafford, Trent Bridge, Headingley and Edgbaston. Those venues have been able to rely on the substantial income generated by test match status, but other grounds are now challenging their position.

Against that background, Warwickshire county cricket club needs to redevelop the ground to ensure that it scores highly against the requirements of the England

[Mr. Shahid Malik]

and Wales Cricket Board. The club estimates that major matches account for about 50 per cent. of the income that it generates, and that it is critical to both the city of Birmingham and the future economic stability of the club that it continues to be allocated major matches such as international cricket. Therefore, as my hon. Friend said, the club and its development partner, MCD Regeneration Ltd, made a planning application to Birmingham city council on 11 November 2008 for substantial redevelopment of the cricket ground. The proposals include a new, larger stand, an increase in seating capacity by 4,000 to 25,000, permanent floodlighting, and mixed-use development.

The club considers that mixed-use development is critical to generating sufficient funding to support redevelopment of the stadium. It believes that the proposals would create an estimated 3,000 construction jobs and 1,000 permanent jobs. Given the current recession, that would give an important boost to the local economy. According to an initial economic impact assessment, the proposal will generate additional gross value-added growth of some £60 million over the next 10 years. The proposal would align with the policies in the west midlands economic strategy for promoting Birmingham and encouraging investment and development to improve its competitiveness and its standing as a global city.

The permanent floodlighting would be in the form of five metal floodlighting columns about 50m high, which would be cranked just below the halfway point at an angle of 50° to lean over the stand towards the pitch. They would replace the temporary floodlights erected on the back of heavy goods vehicles. The club believes that the more stringent facility requirements of the cricket board will mean that venues will remain viable only when they can provide high-grade international-standard floodlighting. It makes comparisons with other grounds that already have permanent floodlights, or that have planning permission for such facilities. It considers that it has taken into account the concerns that the inspector raised in dismissing the appeal on its earlier application for permanent floodlights in 2000. My hon. Friend mentioned that as well.

I know that the inspector was concerned about harm to the character and appearance of the area, but I am aware that the club sought to examine afresh possible lighting solutions, and that in terms of design and materials used, it considers the concerns expressed by the inspector to have been adequately addressed. I also know that Birmingham city council commissioned a report from the Institute of Lighting Engineers, which concluded that the scheme was acceptable and that nuisance for residents should be minimised. The club has agreed to a condition restricting use of the floodlights to 15 days per year and to no later than 11 pm.

Mr. Godsiff: I hope that the Minister will come to the specific points that I asked him about. I am familiar with the arguments of Warwickshire county cricket club; the chief executive has rehearsed them in front of me. I appreciate the Minister's repeating them, but it is more important that he should address the issues.

Warwickshire county cricket club says that the lights will be used for only 15 days a year. Does the Minister not agree that if the lights are erected and permanent, they will be up for 365 days a year? If it is all right for the people of St. John's Wood not to have permanent floodlights and for the people of Kennington not to have floodlights at the Oval, does the Minister agree that it would not be unreasonable for the same courtesy to be given to the people of Moseley and Balsall Heath?

Mr. Speaker: Order. I said to the hon. Member for Birmingham, Selly Oak (Lynne Jones) that her intervention was a bit on the long side; that intervention was as well. However, I think that the point has been registered.

Mr. Malik: During his speech, my hon. Friend focused constantly on the floodlights. Obviously, the 15-day provision deals with the issue of floodlight pollution, although I recognise that it does not deal with the challenge of the skyline.

I know that my hon. Friend is concerned about aspects of the proposal; I was merely doing some background work, for the sake of completeness, before I get to the points that he is anxious to hear about. He is concerned that the permanent floodlights will have a considerable impact on local residents and be harmful to the skyline. He has also raised concerns about the scale of the mixed-use development and the impact on residential amenities. Let me reassure him that all the representations made on the application were taken into account.

My hon. Friend asked why the Secretary of State ordered an inquiry into the previous application for permanent floodlights, but decided not to call in the current application. As my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) pointed out, the 2000 application was not called in; it was subject to appeal on grounds of non-determination by Birmingham. A Government-appointed inspector considered the detailed merits of that proposal, and decided to dismiss the appeal.

The current application is different because the Secretary of State is responsible not for determining the detailed merits of the proposal, but—this is crucial—for deciding whether, under the Government's call-in policy, the application should be called in for the Secretary of State to determine or should be left to the local authority.

Our general approach, with which my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath will be familiar, is not to interfere with the jurisdiction of local planning authorities unless that is necessary. Parliament has entrusted them with responsibility for the day-to-day planning control in their areas. It is right that, in general, they should be free to carry out their duties responsibly, with the minimum of interference from central Government. However, there will be occasions when we consider it necessary to call in planning applications for the Secretary of State to determine, instead of leaving the decision to the local planning authority. Our policy is to be very selective about calling in planning applications. We will, in general, take the step only if planning issues of more than local importance are involved.

The Secretary of State carefully considered all the matters raised by the cricket club application, and had in front of her Birmingham's report to its planning committee. That made it clear that the advantages and disadvantages, including relevant policy issues, had been fully identified and a conclusion reached on the balance

of interests. Having considered all that, the Secretary of State concluded that intervention would not be justified. A non-intervention letter was therefore issued to Birmingham on 4 June.

I stand by that decision. It is right that the matters raised by the application should be resolved at the local level. I am satisfied that the issues raised do not relate to matters of more than local importance that would be more appropriately decided by the Secretary of State rather than Birmingham city council. As my hon. Friend may be aware, however, there is still an opportunity for the local community to help shape the proposals. The cricket club will be required to submit detailed applications on issues such as the height and design of the mixed-use development, which will be subject to full consultation. Birmingham city council has also asked the club to form a residents' liaison group to allow issues of concern to be discussed. He may also be aware that before granting consent, the council is finalising aspects of the section 106 agreement, which covers matters including highway improvements and traffic control.

I know that my hon. Friend is concerned that the Secretary of State's decision was reached in a relatively short period. As I have mentioned, the Secretary of State does not determine the detailed merits of an application. In the case of this application, I am satisfied that all the matters raised were taken into account in the light of call-in policy before the decision was issued.

On traffic, the cricket club will be required to undertake necessary junction improvements and prepare a match-day travel and parking strategy and a travel plan. Taken together with the other measures proposed, it appears that there is an opportunity to minimise the traffic impact. I know that Birmingham city council recognises that the cricket club represents a significant amount of commercial floor space in an out-of-centre location. However, it appears to have balanced the conflict with policies in town centres against the benefits to the area of the various aspects of the development. The development plan policies support the development of Edgbaston as a major cricketing venue, and there is evidence of only limited harm to the viability and vitality of local centres and Birmingham city centre.

In balancing those considerations, the council had to take into account the various views expressed both for and against the proposal. Those included the view of Advantage West Midlands, the regional development agency, with which my hon. Friend is more than familiar, that it was a significant proposal that would not only assist in securing international and major fixtures at Edgbaston but have significant economic spin-offs for the west midlands region.

My hon. Friend mentioned the design of the floodlights. For obvious reasons, as I have stated, I am unable to comment on the various floodlighting options available. On call-in, we carefully considered the whole application to decide whether the proposals raised issues of more than local importance, and we considered that they did not.

I realise that my hon. Friend is disappointed by the decision on the application, but I hope that the debate has demonstrated to his constituents and people in the area that they have a powerful advocate on their behalf.

Question put and agreed to.

10.28 pm

House adjourned.

House of Commons

Wednesday 24 June 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

SPOLIATION ADVISORY PANEL

Resolved,

That an Humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of The Report from the Right Honourable Sir David Hirst, Chairman of the Spoliation Advisory Panel, dated 24 June 2009, in respect of eight drawings now in the possession of the Samuel Courtauld Trust.—*(Kerry McCarthy.)*

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Ukraine

1. **Mrs. Anne McGuire** (Stirling) (Lab): What assessment he has made of the effect of the global economic downturn on Ukraine's need for development aid from his Department. [281790]

The Minister of State, Department for International Development (Mr. Gareth Thomas): On a personal note, Mr. Speaker, may I add my congratulations to those of others on your election as Speaker?

The World Bank expects Ukraine to experience a significant recession in 2009. To counter the impact of the recession, the International Monetary Fund has agreed a package with the Ukrainian Government worth $16.4 billion. Other international institutions are standing by if needed.

Mrs. McGuire: I thank my hon. Friend for his response. He will be aware that western Ukraine has often been referred to as the bread basket of the country, yet it appears to lack the basic storage and transport infrastructure needed to improve efficiency, eliminate poverty and even out some of the inequalities between itself and other regions. Given Ukraine's ambition to join or draw closer to the EU, does my hon. Friend not agree that there remains a need for the UK to give assistance, principally through his Department?

Mr. Thomas: I commend my right hon. Friend's interest in Ukraine and I recognise her description of the regional needs of the part of the country to which she refers. She will recognise that there are significant costs involved in the infrastructure for which she has rightly made the case. I hope she will understand when I point her to the work of the World Bank and other international financial institutions on infrastructure in Ukraine and other countries. We will continue to watch the regional economic needs of Ukraine through our involvement with those institutions.

Mr. Gary Streeter (South-West Devon) (Con): Given the strategic significance of Ukraine as a political buffer zone between the EU and Russia, does the Minister not think that it was perhaps an error of judgment to close the DFID programme in Ukraine last year? It would be an utter tragedy if Ukraine's democracy should fail, so should we not at the very least be running significant capacity-building programmes to support it?

Mr. Thomas: We are running capacity-building programmes on democracy and good governance through the Foreign and Commonwealth Office. Indeed, the European Commission is also running such programmes. As I indicated in answer to my right hon. Friend the Member for Stirling (Mrs. McGuire), we continue to make the case for further involvement from donors to Ukraine. Substantial donor programmes are available through international financial institutions, and we are closely involved in the decisions that they take. Given our need to focus on the poorest countries, I believe that that is the right way forward.

Hugh Bayley (City of York) (Lab): Last weekend the World Bank published its global economic outlook, the development finance report, which predicted that developing countries will lose $1 trillion as a result of the economic downturn. What is the Minister's Department doing to identify the countries that will be most badly hit and to ensure that development aid is provided to enable them to deal with the downturn?

Mr. Thomas: I know that my hon. Friend takes a particular interest in economic growth through his work on the Select Committee on International Development. He will know from the leadership of the Prime Minister and my right hon. Friend the Secretary of State that we led work at April's G20 summit to secure additional resources for the IMF and the World Bank to focus on the needs of the poorest people in countries that have been most devastated by the impact of the global recession. We will look to ensure that that support, having been committed, is delivered to those international financial institutions.

Afghanistan

2. **Mr. Mark Harper** (Forest of Dean) (Con): What steps he is taking to assess the effectiveness of his Department's programmes in Afghanistan. [281791]

The Secretary of State for International Development (Mr. Douglas Alexander): DFID's work in Afghanistan from 2001 to date was independently evaluated in 2008. All DFID projects have clear, measurable benchmarks to ensure accurate and reliable monitoring in accordance with DFID procedures. The office in Kabul has established a dedicated results team to monitor the effectiveness of our work. We are also planning an independent assessment of DFID's ongoing work in Helmand province.

Mr. Harper: I am grateful to the Secretary of State for that answer. NATO's Secretary-General said that the problem in Afghanistan was not too much Taliban, but too little good governance. Over the next four years, nearly half the Department's funding to Afghanistan will be channelled through that country's Government. What steps will the Secretary of State take to ensure that corruption in that country is tackled effectively?

Mr. Alexander: There are two dimensions to the hon. Gentleman's question. First, he is right to recognise the significance of governance, which is one of the four identified priorities for the approximately £510 million that we will spend between 2009 and 2013. I concur with the view that it is not the strength of the Taliban but the weakness of the Government that poses one of the significant challenges—along with others—that NATO and the Afghan people face in the years ahead.

The hon. Gentleman also asked about corruption, which we are approaching in a number of ways. First, in relation to UK funds, we are working through the Afghan reconstruction trust fund, which is independently audited by recognised accountants from outside the country. We have a degree of confidence in those systems. We are also supporting efforts to strengthen the capacity of the Government, because corruption is a consequence and a cause of the poverty affecting Afghanistan.

Ann Clwyd (Cynon Valley) (Lab): As my right hon. Friend knows, abuse at Abu Ghraib prison in Baghdad caused untold damage to the coalition at the time. Now, allegations have been made by the BBC about the abuse of detainees at Bagram air base in Afghanistan. Will he tell me what action he proposes to take?

Mr. Alexander: Not least because I heard the allegations on the radio only this morning, I am not in a position to give my right hon. Friend the detailed answer her question deserves, but I will endeavour to speak to my colleagues in the Foreign and Commonwealth Office and ensure that an answer is forthcoming.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Mr. Speaker, may I add my congratulations to you on your election on Monday, and may I wish you many happy years occupying the Chair?

Following the Secretary of State's previous answer, may I ask him, in the context of the United States' major reassessment of its strategy towards Afghanistan and Pakistan, and of the tragic loss of life following the recent drone attack, how we are going to win hearts and minds in Afghanistan and to what extent he is reconfiguring his country plan to recognise those problems?

Mr. Alexander: The hon. Gentleman's question has a number of aspects. We recognise that there is a powerful connection between the interests of the people of Afghanistan and those of the people of Pakistan. In the statement that my right hon. Friend the Prime Minister made to the House on 29 April, it was made clear that we are taking a joined-up approach in what is colloquially called the "AfPak" strategy, because there is a strong strategic interest in having a stable and secure state on both sides of the border. It is of course necessary for the forces of extremism that threaten Afghanistan and Pakistan to be tackled not solely by military means. That is why, along with the development partnership agreement that we have for Pakistan, there has been a significant rebalancing of our programme in recent months towards the needs of education, in particular, in Pakistan. I will be happy to write to the hon. Gentleman on this matter.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Congratulations on your election, Mr. Speaker. Your interest in international development is well known, and is very welcome.

At the last DFID questions, the Secretary of State claimed that his Department withdrew funding to the United Nations Development Programme—UNDP—Afghanistan counter-narcotics trust fund as soon as serious weaknesses became apparent. However, I have obtained an internal DFID memo that reveals that the Secretary of State's predecessor was clearly warned about anticipated problems with the fund before Ministers signed off £20 million for it. Will the Secretary of State explain why Ministers ignored those warnings?

Mr. Alexander: It will not come as a surprise to the House that I am unfamiliar with the memo the hon. Gentleman describes. I can assure hon. Members that the UNDP's internal evaluation unit recently evaluated operations in Afghanistan, and it was on that basis that ministerial decisions were reached.

Mr. Mitchell: Let me read to the Secretary of State from the memo, which Ministers received before signing off that money. It warned that, in Afghanistan, the UNDP's reporting is "poor", and that it suffers from a "lack of experienced people" who

"only do the minimum in terms of their contractual obligations".

Yet, so far this year, the Secretary of State has signed off another £14 million for the UNDP in Afghanistan. Will he pledge today to launch an urgent investigation into whether UK funds have been misused, and to instigate a full review of the taxpayers' money given to the UNDP in Afghanistan?

Mr. Alexander: We are always seeking to ensure that UK taxpayers' money is used effectively and properly, whether through the UNDP or other parts of our aid programme. It is right to recognise that the review that was published identified weaknesses within the UNDP's approach regarding co-ordination, a focus on short-term rather than long-term priorities, and the need to simplify and strengthen financial rules. It is on that basis that we have acted. The review is not a secret document; it is available on the UNDP's internet site, and I can assure the hon. Gentleman that it informs the decisions that my Department is reaching.

Humanitarian Assistance (Pakistan)

3. **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): What assistance his Department has provided to improve the humanitarian situation in north-west Pakistan in the last 12 months. [281794]

7. **Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): What steps his Department is taking with international partners to ensure the direct delivery of aid to internally displaced persons in the autonomous tribal areas of northern Pakistan. [281798]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): My Department has made available £22 million for humanitarian assistance in Pakistan, which is helping those displaced by conflict in the federally administered tribal areas as well as those displaced in North West Frontier province. With our international partners, we are ensuring that humanitarian assistance reaches those who need it most through established co-ordination mechanisms for allocating finance, clear funding criteria and careful monitoring.

Sandra Osborne: For months, the international community has been urging Pakistan to act against the Taliban in the north-west territories. Millions of people have paid the price with death, destruction and internal displacement. Given the number of people living with host communities, what support can DFID provide in the circumstances?

Mr. Foster: My hon. Friend is right to point out the fact that an estimated 2.4 million people have been displaced as a result of the conflict, the vast majority of whom are living in host communities. To ensure that aid gets to those living in host communities, we have helped to establish 34 separate aid stations to enable the fair distribution of aid.

Mr. Clarke: In view of the importance of security in northern Pakistan to NATO's efforts in Afghanistan, does the Minister share my concern that the aid agencies and NGOs are clearly underfunded? Can we give some thought to ensuring that proper resources are made available?

Mr. Foster: My right hon. Friend has a long and distinguished record of interest in development. The Pakistan humanitarian response plan is 35 per cent. funded and the International Committee of the Red Cross appeal is 59 per cent. funded, but it is clear that more could and should be done. We are actively lobbying with other countries, including the Government of Pakistan, to do more.

Alistair Burt (North-East Bedfordshire) (Con): A group of international aid agencies reckons it has a deficit of about £22.5 million in dealing with the humanitarian consequences of conflict in the Swat valley. Within that, World Vision—a charity with which you, Mr. Speaker, and I have a particular connection—reports a deficit of about £7.5 million. Is there anything that the Minister and the Department can do directly to be involved with that group of charities and the problems it faces in the Swat valley?

Mr. Foster: The UK's bilateral contribution of £22 million is the second largest made by any nation to deal with the humanitarian crisis. On the specific lobbying on behalf of World Vision, I am happy to meet the hon. Gentleman and to talk to my officials to see what we can do to help him.

Greg Mulholland (Leeds, North-West) (LD): Aid to this region is enormously important not only from a humanitarian perspective, but politically, considering the circumstances. How is the Department dealing with the difficult challenge of the tribal regions and the fact that a lot of the region is still controlled by the Taliban, particularly the Swat valley?

Mr. Foster: The hon. Gentleman is right to point out the difficulties in providing aid, especially in the front-line areas. To be honest, we have no real assessment of the number of people who have been displaced and are still beyond the front line. Our difficulty is enabling safe access to those areas for our aid workers.

Tony Lloyd (Manchester, Central) (Lab): Pakistan is different: the humanitarian situation requires help in its own right, but that country is also a vital strategic ally of this country. Will the Government put pressure on the rest of the EU to take on its own share of funding the humanitarian assistance? Frankly, our European allies are not doing enough.

Mr. Foster: My hon. Friend will be interested to know that just last week—at the Europe-Pakistan summit, on 17 June—the European Commission made an additional pledge of some €65 million to deal with the issue he raises.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): A few moments ago, the Minister acknowledged that British NGOs face a serious funding shortfall in Pakistan, but, with the monsoon season approaching, 45 per cent. of the money that his Department has announced remains unallocated to specific projects. Can he simply reassure the House that there is a plan and explain exactly where that money will be spent?

Mr. Foster: I can indeed give the hon. Gentleman that assurance. I can also tell him that where concerns have been expressed about the speed at which aid through the UN has been allocated, we have taken the exceptional decision to fund NGOs directly to speed up the process of getting aid to those people in need.

Development Agenda

4. **Malcolm Bruce** (Gordon) (LD): What progress has been made on implementing the development agenda from the G20 London communiqué. [281795]

The Secretary of State for International Development (Mr. Douglas Alexander): The London summit achieved important development outcomes, including a commitment to provide additional funds—mainly through the international financial institutions—for many of the poorest countries. We are working closely with partners to ensure that summit agreements are now fully implemented.

Malcolm Bruce: In welcoming you to the Chair, Mr. Speaker, may I say, as Chairman of the International Development Committee, that while the House has gained a great deal, I am afraid that our Committee has lost a great deal? We very much appreciate your contribution.

I thank the Secretary of State for his answer, but does he not acknowledge that the economic downturn and climate change have mostly been caused by the G20, yet the impact is felt mostly by poor and developing countries? What steps will he take to ensure that the Copenhagen summit delivers for the poor, that there is a Doha development round, and that the pledges made at Gleneagles will be not only maintained but supplemented?

Mr. Alexander: As befits the Chair of the International Development Committee, the right hon. Gentleman asked three questions rather than one. On trade, I assure him that we are continuing to work with our colleagues in the European Union in endeavouring to reach the conclusion to the Doha development round that eluded us last year. As we look ahead to the G8 meeting in L'Aquila and other international gatherings, we will continue to press the countries that made agreements at Gleneagles to meet the commitments that were made back in 2005.

In relation to climate change, I assure the House that we recognise the importance of Europe's assuming a leadership role, as it did at the time of the Kyoto agreement. We also recognise, in the context of common but differentiated responsibilities, that many of the countries that have been worst affected by climate change bear the least responsibility for generating the emissions that have caused it.

Education (Pakistan)

5. **Mr. Gordon Prentice** (Pendle) (Lab): What recent steps his Department has taken to support projects to increase literacy amongst girls in Pakistan. [281796]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): My Department has set aside a total of £250 million over five years to improve education in Pakistan. We are designing programmes in North West Frontier province, Punjab and Balochistan that will increase girls' access to school and improve both their literacy and their numeracy. We are already financing stipends so that 300,000 girls in North West Frontier province can attend school, and the same programme is providing text books for 4.3 million girls and boys.

Mr. Prentice: That is marvellous, and we applaud the Government for their action, but does it not make you weep, Mr. Speaker, that Pakistan spends 60 per cent. of its budget on defence and 11 per cent. on education, and that 42 per cent. of women and girls are illiterate? What can we do to persuade Pakistan to change its warped sense of priorities whereby more money is spent on guns than on education?

Mr. Foster: My hon. Friend is right to point out that Pakistan's education spending of just 2.4 per cent. of GDP is among the lowest in the world. He is also right to point out that if we are serious about tackling poverty and social exclusion and dealing with the grievances that lead to insecurity, education must play a central role. *[Interruption.]*

Mr. Speaker: Order. Far too many private conversations are taking place. Members asking questions should be heard, and so should Ministers answering them.

Tony Baldry (Banbury) (Con): After the earthquake in Kashmir, we raised enough money in Banbury to build a whole new girls' school in the Pakistan-occupied part of Kashmir. However, like the hon. Member for Pendle (Mr. Prentice), I weep, because, notwithstanding assurances from the Ministry, the problems caused by the machinery of government in Islamabad with the adoption of the school were very depressing. Whatever development aid we give Pakistan, we must make it clear to its Government that unless they sort out some fundamental machinery of government issues and make basic joined-up government work, none of that aid will be of any real long-term benefit.

Mr. Foster: I do not disagree with the hon. Gentleman about the importance of governance, or about the role of Government in helping donors such as the United Kingdom to get their support on to the ground to meet the needs of the people whom both he and I want to help.

Middle East

6. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What recent assessment he has made of the humanitarian situation in Gaza; and if he will make a statement. [281797]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): The conflict earlier this year intensified an already difficult humanitarian situation in Gaza. The pace of deterioration has slowed since the ceasefire in January, but the humanitarian situation remains extremely serious. Around 90 per cent. of Gazans still partly depend on food aid.

Success of the response effort continues to depend on opening the crossings from Israel to allow movement of materials and personnel into Gaza. The UK presses the Israeli Government regularly on this issue.

Mr. Carmichael: To say that the situation is serious is masterful understatement; it verges on the desperate. There can, however, be no improvement until the borders are opened. What are the Government doing to impress on the Israeli Government the need to let the basic foodstuffs and essentials of everyday life through the border crossing points and into Gaza?

Mr. Foster: The hon. Gentleman is absolutely right: access through the border crossings from Israel into Gaza is essential to deal with development aid and to help complement the long-term peaceful political solution that is needed in that part of the world.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): A number of British charities are active in Gaza, one of which is Interpal. Its ability to deliver development aid is being seriously constrained by its inability to access international clearing banking facilities. Will the Minister meet the charity to see—

Mr. Speaker: Order. I apologise for interrupting the hon. Lady, but I am not sure whether she can be heard, and there are still far too many private conversations taking place.

Dr. Starkey: Will the Minister meet representatives of Interpal to discuss the difficulties it is having, and to see what help the British Government can offer?

Mr. Foster: I understand that Interpal has had difficulties in accessing finance, and I am perfectly happy to meet my hon. Friend and the organisation to see what can be done to resolve them.

Mr. Ian Taylor (Esher and Walton) (Con): Part of the problem in Gaza is the rivalry between Fatah and Hezbollah. Does the Minister have any engagement in the discussions to try to keep the peace, and has Israeli Prime Minister Netanyahu given any assurances in respect of Gaza in his comments about a two-state solution?

Mr. Foster: I have had no direct discussions with those two parties representing the Palestinian people, but I can tell the hon. Gentleman that we welcome Prime Minister Netanyahu's recently announced support for a two-state solution, which we think will deal with this situation once and for all.

Fairtrade

8. **Alison Seabeck** (Plymouth, Devonport) (Lab): What funding his Department has provided to Fairtrade initiatives in the latest period for which figures are available. [281799]

The Minister of State, Department for International Development (Mr. Gareth Thomas): Between 1999 and 2009, the Department for International Development committed just over £3 million-worth of support to Fairtrade, of which £2.6 million has so far been released. The majority of current funding is through the global Fairtrade Labelling Organisations International. We also continue to work in developing countries and internationally to improve countries' and producers' access to markets and capacity to trade.

Alison Seabeck: I thank my hon. Friend for that answer. He will know that Plymouth has been at the forefront of promoting Fairtrade, and I am sure we will want to sell the new cosmetic line. However, there are still concerns, including those raised with me by the ladies of the Inner Wheel in Roborough. Can my hon. Friend assure me that, in the current global downturn, his Department will continue to scrutinise the way in which payments are made and ensure that wages are not being cut as markets and trade fall?

Mr. Thomas: I know from a previous visit I made to Plymouth of the importance that Fairtrade is given in the town, including in my hon. Friend's constituency. I am delighted that she continues to be lobbied by supporters of Fairtrade in Plymouth for further DFID work on this issue. I can assure her that we will continue to fund Fairtrade and to work with the Fairtrade Foundation and with a series of similar initiatives to promote the cause of poor producers getting access to our markets.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Does the Minister agree that we should congratulate Letchworth garden city, the world's first garden city, on obtaining Fairtrade status two weeks ago, and that this is a fine initiative that helps to market products and assists some of the most vulnerable people in the world?

Mr. Thomas: I am delighted to agree with the hon. Gentleman, and I am also delighted that his constituents—and, no doubt, others nearby—have worked so hard to ensure that Letchworth garden city is now a Fairtrade garden city. I look forward to his continuing to raise these issues at DFID questions.

Middle East

9. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What his latest assessment is of the humanitarian situation in Gaza; and if he will make a statement. [281800]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): I refer my hon. Friend to my previous answer.

Jim Sheridan: My hon. Friend will be aware that the Israeli blockade is causing extreme problems for people in Gaza. Cement supplies have been held up in the blockade, but how can people reconstruct and build their houses if they cannot get those materials?

Mr. Foster: My hon. Friend makes a valid point. The United Nations believes that only 25 types of relief out of the some 4,000 that are needed in Gaza are actually getting through the crossings, and construction materials are essential if we are to rebuild Gaza city.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [281805] **Patrick Hall** (Bedford) (Lab): If he will list his official engagements for Wednesday 24 June. May I also welcome you, Mr. Speaker, to your first Prime Minister's questions as Speaker of this House?

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, I am sure that the whole House will wish to join me in sending our sincere condolences to the family and friends of Major Sean Birchall, 1st Battalion Welsh Guards, who was killed in Afghanistan last week. He died serving our country and the people of Afghanistan. His death reminds us how difficult it is for men serving in Afghanistan at the moment. He, and others who have lost their lives, will never be forgotten.

I am sure that the House will wish to send our sincerest condolences also to the families and friends of Jason Swindlehurst and Jason Creswell following the tragic news of their death in captivity in Iraq. The taking of hostages is a cruel and barbaric act and can never be justified. I can assure the House that the Government are doing all that we can, and our thoughts and those of everyone in this House will be with the families and friends who wait for news.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Patrick Hall: I wish to associate myself with the sentiments expressed by my right hon. Friend regarding our troops, the hostages and their families.

One of the key issues raised with me by my constituents is that of housing, and specifically access to affordable housing and the need for mortgage finance. My constituents are aware that despite the urgent need for more house building, Conservatives generally campaign against it, as well as oppose the measures needed to fix the financial system—*[Interruption.]*

Mr. Speaker: I think that the Prime Minister has got the gist.

The Prime Minister: We are investing billions of pounds more in new affordable housing. We are helping more households into home ownership through shared ownership. We have secured commitments from the major banks that they will invest a large amount of the £70 billion extra that they are investing over the course of the next year in housing. Of course, that would not be possible if we were to implement a programme of 10 per cent. cuts in our spending.

Mr. David Cameron (Witney) (Con): The Prime Minister had a bit more than the gist of the question: he had a prepared answer to it as well.

I join the Prime Minister in paying tribute to Major Sean Birchall from the 1st Battalion Welsh Guards, who was killed in Afghanistan, and I very much agree with the Prime Minister about expressing our heartfelt sympathy to the families of Jason Swindlehurst and Jason Creswell at their loss. The Prime Minister knows that he has our full support in all the efforts being made to free the remaining hostages in Iraq.

Last week, the Prime Minister told the House:

"Capital expenditure will grow until the year of the Olympics."

The Government's own figures show that that is just not the case. Will he take this opportunity to correct what he told the House last week?

The Prime Minister: Well obviously yes, in the building of the Olympics capital investment will rise very substantially. I can tell the right hon. Gentleman that capital investment is rising from £29 billion to £37.7 billion, and then to £44 billion in 2009-10, and that is to help complete the building of the Olympics. Thereafter it will fall as a result of decisions that we have made, but the comparison is between £44 billion of investment now and—even in real terms—the figure for 1999-2002, when he was in charge of advising at the Treasury. We are investing £44 billion: he was investing only £16 billion.

Mr. Cameron: I am afraid that that is just not good enough. Last week the Prime Minister made a very clear statement to the House of Commons. He said:

"Capital expenditure will grow until the year of the Olympics."—[*Official Report*, 17 June 2009; Vol. 494, c. 295.]

Here are the figures: capital expenditure this year, 2009, is £44 billion; next year, 2010, it is £36 billion; in 2011 it is £29 billion; and in the year of the Olympics, 2012, it is £26 billion. That is a cut of almost half from £44 billion to £26 billion. Will the Prime Minister now apologise, correct his statement and admit that he is cutting capital expenditure?

The Prime Minister: I was just explaining how we had brought forward capital investment to last year and this year. The figure for capital investment in 2006-07 was £36 billion. That has risen to £38 billion in 2008-09 and to £44 billion in 2009-10. That is so that we can advance capital expenditure to deal with the downturn. The problem for the right hon. Gentleman is that he wants to cut capital investment now. He wants to cut it whereas we are increasing it. We are increasing it to complete the building of the Olympics and other projects, whereas his party would be cutting capital investment now. He has got to face up to the fact that he is going to spend less than us in every year.

Mr. Cameron: The Prime Minister has been caught absolutely red-handed. He made a statement to the House about capital expenditure growing every year and the fact is that it is being cut. If he believed in transparency, honesty and truth in public life, he would get up at that Dispatch Box and say, "I'm sorry, I got it wrong. I gave the wrong figures; here are the right ones." Now do it.

The Prime Minister: I have explained to the House that money has been brought forward to 2008-09 and 2009-10. Instead of having expenditure of just £30 billion in 2008-09, it is £38 billion. Instead of expenditure of less in 2009-10, it will be £44 billion. We took the decision to advance public expenditure to deal with the recession. Let him come clean: he would cut public expenditure this year, next year and every year after. He is trying to evade his responsibility for wanting 10 per cent. cuts.

Mr. Cameron: In the answer before last, the Prime Minister talked about the year 2007-08. In the last answer, he talked about the year 2008-09. Those years have already happened. He said at the Dispatch Box last week that capital expenditure would grow between now and the Olympics. The figures are in the Red Book, on page 226. Capital expenditure will be £44 billion in 2009, falling to £36 billion, then to £29 billion and then, in the year of the Olympics, to £26 billion. There is no other way to cut it. There is nowhere else he can hide. He must stand up, explain that he got it wrong and say that what he told the House last week was wrong. Why not do it for once?

The Prime Minister: We brought forward spending to deal with the recession. I know that he is against our bringing forward the spending, but we brought forward current and capital spending to deal with the recession. Let me tell him that spending is £44 billion in the year 2009-10. That is the highest capital expenditure ever in our country. It compares with the recession years under the Tories, when capital spending was only £12 billion or £16 billion. We are taking the action to invest in our public services—they would cut our public services now. Why does he not admit that there would be 10 per cent. cuts in public services under the Conservatives?

Mr. Cameron: Let us first of all be clear about the Prime Minister's claims about Conservative policy. Even his own colleagues do not believe him. This is the report that we had from last week's Cabinet:

"Darling pointed out that Brown's Tory cut figures did not represent the"—

Conservative—

"party's policy but were merely extrapolations"—

[HON. MEMBERS: "Ah!"] It gets more interesting:

"Cooper, previously the Treasury minister responsible for public spending, echoed his concerns",

and:

"According to one source who was present, Brown was visibly irritated at the way he had been undermined, and brought the meeting to an early close".

He says that he wants to be a teacher, but it sounds like he has lost control of the classroom. Last week, at that Dispatch Box, the Prime Minister did not talk about bringing forward capital expenditure. He said, very clearly:

"Capital expenditure will grow until the year of the Olympics."—[*Official Report*, 17 June 2009; Vol. 494, c. 295.]

Let me give him one more chance to show that the talk of transparency, truth and honesty means something. He should find that moral compass, stand up there and tell us that he got it wrong.

The Prime Minister: I read out the figures to the House. We are spending £38 billion in that year 2008-09—more than the Tories would ever do. We are spending £44 billion in the coming year—more than the Tories would ever do. We are spending more money on capital investment than at any time in our history—*[Interruption.]*

Mr. Speaker: Order. I apologise for interrupting the Prime Minister, but there is simply far too much noise. The public do not like it, and neither do I.

The Prime Minister: We have to face up to the fact that a sensible debate in this country means that the Conservatives are going to cut spending on housing, education, policing and all the vital public services. The right hon. Gentleman cannot evade the fact that his figures are lower than any of ours in any year. That is the truth about public spending in our country.

Mr. Cameron: The entire country will have heard one very important thing—that this Prime Minister cannot give a straight answer, and that he is not a big enough man to say that he got it wrong.

The Prime Minister: His is the party of 10 per cent. cuts in public expenditure, and the party that would cut the vital public services at a time of recession. We have brought forward public expenditure to help people stay in their homes and get into jobs and to help build schools and hospitals. Those are exactly the public services that the Conservatives would cut savagely, by 10 per cent. That is not going to be allowed to happen. *[Interruption.]*

Mr. Speaker: Order. Mr. Fabricant, you must calm yourself. It is not good for your health. I call Paul Farrelly.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Thank you, Mr. Speaker, and may I also welcome you to your new role? Many of us here will welcome the fact that the Prime Minister has rowed back from holding an inquiry into Iraq in private. It would have been a misjudgment to do so. That said, the Opposition motion and the amendment before us this afternoon contain two points of difference—whether the terms of reference are discussed and published, and whether the committee should have a wider composition. What can the Prime Minister say to the House to address those two points of difference?

The Prime Minister: I can say that Sir John Chilcot, the chair of the inquiry—and it is an independent inquiry—has written to me to make it absolutely clear that the inquiry will need expert assessors at the highest level including in military, legal, international development and reconstruction matters. He has already begun to identify people who may be willing to serve in that capacity. As for the terms of reference, I cannot think of an inquiry with wider terms of reference. It covers nearly eight years, from 2001 to 2009. It covers all issues that refer to the conflict itself, the causes of the conflict, and the reconstruction after the conflict. The inquiry will be set up on the basis that it will be allowed to have all the evidence and materials, whether classified or not, that it needs to look into the matter. The terms of reference of this inquiry are very wide indeed.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I should like to add my own expressions of sympathy and condolence to the family and friends of Major Sean Birchall, who tragically lost his life in Helmand this week. I of course also join in the expressions of sympathy and condolence to the families and friends of Jason Swindlehurst and Jason Creswell. We all hope that the remaining hostages will be released safely as soon as possible.

On the Gurkhas, the Prime Minister was wrong and was forced to back down. On MPs' expenses, he was wrong and forced to back down. On the Iraq inquiry, he was wrong and is now being forced to back down. The only gear left for this Government seems to be reverse, so when will we hear from him that he is wrong too on public spending?

The Prime Minister: I am not wrong on public spending. We want to increase public spending. I am not wrong on wanting to help people in difficulty in the recession by helping the unemployed and home owners. It is the Liberal party that wants to cut public expenditure, not the Cons—not the Labour party. *[Interruption.]*

Mr. Speaker: Order. I know it is the third time, but perhaps third time will be lucky. We must have some order in this House.

Mr. Clegg: The Prime Minister cannot keep avoiding the questions. Today, new figures from the EU have been published that show that we have the largest underlying deficit anywhere in Europe. Why does he not admit that balancing the nation's books will take big, difficult, long-term decisions? Nobody is fooled by his trick of dressing up cuts as investment. We are setting out what needs to happen—unlike him, and unlike the Leader of the Opposition—on Trident, on baby bonds, and on tax credits for high-income families. There are some ideas, now where are his?

The Prime Minister: Given that there is no problem of inflation at the moment in our country, and given that interest rates are low, it is right for us to take action to help people get into work. It is right for us to take action to help 150,000 businesses, as we are doing. It is right for us to move forward the housing programme and our programme of capital investment. These are the right things to do. I do not think that the Liberals, with their proposals to cut public spending, are doing the right thing at the moment at all.

Q2. [281806] **Mr. Jim Cunningham** (Coventry, South) (Lab): Thank you very much, Mr. Speaker, and congratulations on your election. Will my right hon. Friend the Prime Minister spell out the implications for the public services, pensioners and the less well off of the 10 per cent. cut proposed by the Opposition?

The Prime Minister: Increasingly, the choice within our country will become one between us wanting to preserve our public services and wanting to expand them and a Conservative party that is determined to cut them by 10 per cent. Once the public knows that that is the choice, Conservative Members will have to explain in every constituency how many police, nurses and teachers are going to be cut as a result of their restrictions on spending.

James Duddridge (Rochford and Southend, East) (Con): Can the Prime Minister confirm whether he has had any correspondence, e-mail, telephone calls or texts from Damian McBride since the day he resigned, and just to clear up the confusion that there seems to be around this issue, will he write to the Parliamentary Standards Authority confirming the answer to this question?

The Prime Minister: The answer is no, but is it not amazing when we are discussing Iraq, Iran, Afghanistan and other major issues that a Back Bencher can reduce himself to re-asking a question that was asked last week?

Q3. [281808] **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): Has my right hon. Friend seen my early-day motion 1552 regarding steel making on Teesside? What help and support is he willing to give so that we can keep the Redcar steel complex open and protect 22,000 direct and indirect jobs as well as a strong manufacturing base?

The Prime Minister: I have talked to the company and also met the trades unions, as has the Business Secretary. The future of steel making in this region is absolutely crucial, so we are trying to do everything we can to make that happen. Clearly, there is a dispute between Tata and the partners involved in the consortium that has now withdrawn its order for steel making in the area. We want to support a reconciliation between the two groups, which is what we are trying to do. In the meantime, One North East is trying to help people in search of jobs.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The Prime Minister's insult to the Law and Justice party of Poland in his European statement yesterday is a great insult to the President of Poland, who is a member of that party and to the Polish people who elected that party into office. No matter what he may think of the Law and Justice party, he must understand that as Prime Minister of the United Kingdom he has a duty to implement basic diplomatic procedures.

The Prime Minister: I have very good relationships with the person the hon. Gentleman is talking about. As for the Polish Law and Justice party, the Conservatives should look at the policies of the parties they are having dealings with.

Q4. [281809] **Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): Can the Prime Minister tell the House of his reaction to recent events in Burma? Does he agree that the imprisonment, illegal as it is, of pro-democracy campaigners and the shameful, farcical and sham trial of Aung San Suu Kyi does nothing for Burma's standing in the international community?

The Prime Minister: First, let me congratulate my right hon. Friend on the 27th anniversary of his election to the House of Commons; he has given great service, particularly in terms of our relations with other countries. In Burma a sham trial of Aung San Suu Kyi is taking place, and it is completely unacceptable not just to us, but to all members of the international community. At the last meeting of the European Council, we sent out a powerful message that unless action is taken in Burma to free Aung San Suu Kyi, we will be prepared to take further sanctions against the regime. I have also talked to the UN Secretary-General and encouraged him to visit Burma—Mr. Gambari, his representative, is there at the moment. I hope that the Secretary-General will visit Burma to send a message to the regime as soon as possible.

Mr. Peter Bone (Wellingborough) (Con): In May 1997, there were 1,826 people unemployed in Wellingborough; at the end of last month, that figure had risen to 3,366—an increase of 84 per cent. Whose fault is that: is it (a) the last Conservative Government; (b) the previous US President; or (c) the Prime Minister who claimed he had ended boom and bust?

The Prime Minister: The figures are all the more reason to support our policies to get people back to work. Were it not for the policies we are adopting, 500,000 more people would be out of work—that is what official estimates say. The hon. Gentleman should be supporting the public expenditure we are engaged in to help people get back into work.

Q5. [281810] **Martin Salter** (Reading, West) (Lab): Mr. Speaker, it gives me particular pleasure to welcome you to the Chair as our new reforming Speaker. May I say how much I endorse the wise words of the right hon. Member for North-West Hampshire (Sir George Young), who called for the whole House now to get behind you? That should be the whole House.

The Prime Minister deserves great credit for bringing forward proposals to establish the Parliamentary Standards Bill and to set up a Select Committee on reform of the House of Commons, but may I draw his attention to the unnecessarily tight terms of reference on today's Order Paper, and to the cross-party amendment in my name and that of my hon. Friend the Member for Cannock Chase (Dr. Wright)? Surely, it cannot be right for the Committee to be constrained to discuss only non-governmental business.

The Prime Minister: We have proposed measures to modernise the House of Commons, in particular the election of Select Committee Chairs, the scheduling of non-Government business and the raising of public issues for debate. All those other matters can be considered in due course, and the Leader of the House will lead a debate on them.

Bob Russell (Colchester) (LD): Mr. Speaker, the university of Essex is proud of you.

Earlier this month, the Conservatives were humiliated in the local elections in Colchester. Will the Prime Minister discuss with his Secretary of State for Children, Schools and Families why Essex county council is ignoring what the Secretary of State promised in the House in

May last year, and is proceeding to close two secondary schools, against the democratic wish of the people of my constituency?

The Prime Minister: As the hon. Gentleman knows, investment in schools is rising, as is investment in new school buildings generally. The hon. Gentleman has specific questions he wishes to address to the Secretary of State for Children, Schools and Families, and I hope that he will be able to meet my right hon. Friend soon.

Q6. [281811] **Barry Gardiner** (Brent, North) (Lab): This morning, Superintendent Simon Corkill from Wembley police station telephoned me—*[Interruption.]*—to say that there had been a drop in gun crime of 45 per cent., a drop in knife crime of 19 per cent. and a drop in youth offending of 19 per cent. in the past year. I know the Prime Minister will want to congratulate Wembley police force on those statistics, but will he join me in asking for a 10 per cent. cut next year? I mean, of course, a further cut in the statistics.

The Prime Minister: Since 1997, the investment we have made in neighbourhood policing and in policing generally has led to a reduction in crime. As a result of that investment, people can feel safer in their homes, but it is equally important that we maintain investment in policing—a 10 per cent. cut in policing budgets would be totally disastrous for police forces and communities.

Q7. [281812] **Mr. Mark Harper** (Forest of Dean) (Con): One in four people will suffer at some point in their life from a mental health problem, and there is a great deal of stigma about that. Will the Prime Minister take some advice from Alastair Campbell, whose advice seemed to work very well for his predecessor? When giving evidence to the Speaker's Conference on improving diversity, Mr. Campbell suggested that we get rid of the provision in the Mental Health Act 1983 that Members of Parliament who are sectioned for a mental health problem lose their seat. Will the Prime Minister take steps on that measure and end stigma against people with mental health problems?

The Prime Minister: Mental health is a serious problem and we should look at it with great care before we make any decisions, but of course I will look at what the hon. Gentleman says. I think he will understand that it needs the greatest of care.

Q8. [281813] **Jim Dobbin** (Heywood and Middleton) (Lab/Co-op): Hopwood Hall college in my constituency delivers vocational programmes to learners throughout Heywood, Middleton and Rochdale—all areas of high deprivation. The college capital programme has had to be put on the back burner because of the funding crisis at the Learning and Skills Council. Will the Prime Minister have a look at the specific problem for me, and perhaps designate the appropriate Minister to meet the college principal, the local authority and me to see if we can get ourselves out of this mess?

The Prime Minister: The Learning and Skills Council has written to the principals of all colleges about capital investment for the future. It hopes to announce projects to go through to the next stage of the process as soon as possible. As my hon. Friend will know, we made available an extra £300 million in the Budget for further education colleges. I am sure that the Minister will be happy to meet him.

Q9. [281814] **Mr. Phil Willis** (Harrogate and Knaresborough) (LD): May I say to the Prime Minister that this year's 10 per cent. increase in applications to higher education is a massive cause for celebration? The fact that the major increases are particularly among young black males, students over 40 and people in lower socio-economic groups is a double cause for celebration. Will the Prime Minister therefore say why the planned 15,000 extra higher education places were cut to 10,000 last year and are now being cut to 3,000? Is it not better to invest in people in higher education than to invest in them on the dole queues?

The Prime Minister: We want more people to be able to go to university. If there are more applications this year, we must look at that very carefully. I shall look at what the hon. Gentleman says about the numbers, and I know that the Business Secretary is looking at what can be done. We want to give this year's school leavers a guarantee that they will also have opportunities, and the Secretary of State for Children, Schools and Families is taking action to ensure that opportunities are available to every school leaver this summer.

Q10. [281815] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): The Prime Minister will be aware of the pain caused by very high water bills to my constituents in the far south-west, especially those on low and modest incomes. We eagerly look forward to the publication of the interim findings of the Walker review on water metering and charging. Will the Prime Minister meet me and a group of colleagues who have been working on finding solutions for many years to see how far the review will be able to help to address the problems?

The Prime Minister: My hon. Friend has campaigned on water charges in her region for many years. I believe that the interim report is scheduled for publication next week, with a final report expected in the autumn. We will provide a full response following the publication of the final report and I will be happy to meet my hon. Friend to talk about it.

Sir Paul Beresford (Mole Valley) (Con): A considerable number of my constituents are Equitable Life victims and the quality of the retirement that they paid for has been crippled. The Government's response to the two ombudsman's reports added insult to that injury. Will the Prime Minister look again at the delays in paying compensation and the partiality of the Government's compensation scheme?

The Prime Minister: As the hon. Gentleman knows, the ombudsman made certain recommendations, which we are looking at. We have set up a separate inquiry to look at the implication of what was said and we will report in due course.

Q11. [281816] **Mr. David Crausby** (Bolton, North-East) (Lab): Despite all the point scoring on cuts in public expenditure, will my right hon. Friend assure me that no money will be cut from protecting our armed forces on active service? Will he say that, in any circumstances, the priority will be to spend whatever money is available on the front line, unlike the situation under the Tories, who made redundancies while—

Mr. Speaker: Order. The Prime Minister does not have to concern himself with Opposition policy.

The Prime Minister: We have shown our commitment to our armed forces by increasing expenditure on them every year. We have made extra money available for all the additional responsibilities that they have had to discharge in Iraq and Afghanistan. We want a spending path for the armed forces that is completely consistent with their responsibilities. It would not make sense—regardless of need and what has happened to the economy—to announce 10 per cent. cuts in the defence budget now.

Mr. Julian Brazier (Canterbury) (Con): Will the Prime Minister tell the House whether he has received advice from the Chief of the Defence Staff calling for sustained and substantial reinforcement for our hard-pressed armed forces in Afghanistan?

The Prime Minister: If the hon. Gentleman was here yesterday, he would know that I answered exactly that question. I said that we had raised the number of forces in Afghanistan for the period of the election campaign from 8,100 to 9,000. For that period, which takes us right through to the autumn, we are meeting additional responsibilities to ensure that the democracy of Afghanistan is maintained and that elections can happen with greater security and safety. Of course, we maintain our ongoing campaign against the Afghanistan Taliban.

Q12. [281817] **Phil Wilson** (Sedgefield) (Lab): Does my right hon. Friend believe that it is the role of mainstream UK political parties to associate with Latvia's For Fatherland and Freedom party, which honours veterans of the Waffen-SS, or does he believe that that should be left to the British National party?

The Prime Minister: Is it not remarkable that the Conservatives have formed an alliance in Europe that excludes the German Christian Democrats, excludes the French party of President Sarkozy, excludes the Italian party of Prime Minister Berlusconi—*[Interruption.]*—excludes all reputable political parties in Europe—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: The Conservatives are now isolated on the fringes of Europe.

Susan Kramer (Richmond Park) (LD): Would the Prime Minister agree with me that both the Tamil and Sinhalese people of Sri Lanka deserve an investigation into alleged war crimes committed during the civil war in Sri Lanka? Given the cowardly decision by the United Nations Human Rights Council to resist any such inquiry, what steps can he take to make sure that the issue is not abandoned and forgotten?

The Prime Minister: As the hon. Lady may know, I have spoken to the President of Sri Lanka, and I have urged him to ensure reconciliation with the Tamil community. It is very important, after the events that we have seen happen, that those people who have been displaced are given urgent humanitarian help, that the regime itself recognises that it has to make peace with the Tamil members of the community, and that action is taken as quickly as possible for that purpose. What we need is not violence in Sri Lanka but reconciliation.

Speaker's Statement

12.31 pm

Mr. Speaker: Just before we move on to the main business, I want to make a brief statement of just three points. First, as I said on Monday, when Ministers have key policy statements to make, the House must be the first to hear them, and they should not be released beforehand. Secondly, in statements, I ask the Front Benchers to stick to their allotted times. I also ask that the Back-Bench Members taking part each confine themselves to one, brief supplementary question. In the same vein, I hope that Ministers' replies will be kept to a reasonable length. Finally, I always expect that those speaking in this Chamber will be heard, so that an atmosphere of calm, reasoned debate is maintained.

Points of Order

12.32 pm

Mr. Crispin Blunt (Reigate) (Con): On a point of order, Mr. Speaker. This is really further to your statement, and particularly the first point in it. It was remarkable to read in *The Independent* today that

"Britain is to appoint its first national cyber security chief to protect the country from terrorist computer hackers and electronic espionage, Gordon Brown will announce tomorrow.

The Prime Minister's move comes amid fears that the computer systems of government and business are vulnerable to online attack from hostile countries and terrorist organisations."

A civil servant is then named:

"Neil Thompson, a senior civil servant, will be charged with protecting the national computer network."

Cyber-security is a very important issue, and the cyber-threat to the United Kingdom is extremely severe. I understand that there are no plans for an oral statement to this House tomorrow, quite apart from the fact that there is no record that there will be any written or oral statements to the House today on the issue. Would it be as well for the Government to prepare an oral statement of some kind for tomorrow?

Mr. Speaker: I am grateful to the hon. Gentleman for what he has just said, which seems to underline the merit of my having made the statement that I did. On the specifics of the question, of which I did not have any advance notice, I can only say to him and to the House that I will certainly look into the matter.

Andrew Selous (South-West Bedfordshire) (Con): On a point of order, Mr. Speaker. Does your first ruling extend to Ministers commenting on the publication of Bills, and to cases in which no Member of this House has had an opportunity to see a Bill before they hear the relevant Secretary of State telling the world what is in it on the "Today" programme?

Mr. Speaker: Certainly, Ministers ought to make key statements to the House before they are made elsewhere. I should have thought that that was pretty clear. I note that the Leader of the House and other senior Ministers are present on the Treasury Bench. I say to the hon. Gentleman: let us see how it goes, but I hope that the thrust of what I have said is pretty clear.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On a point of order, Mr. Speaker. It relates to a matter about which I wrote to you this morning. Tomorrow we are debating a motion to set up a Select Committee to make recommendations about how the House can better hold the Government to account through procedural changes. One of the main issues at stake is the way in which the House is able to scrutinise public Bills on Report, which has been appalling, and which many senior Members on both sides of the House—including yourself, sir, while you held such public opinions as a Back Bencher—agree has not been satisfactory. We assumed that the Wright Committee would be able to consider that, but its terms of reference say only that it will be able to look at procedures relating to non-Government business. To help with how we settle this, could you clarify whether you would agree that the way in which the House scrutinises Bills, even those introduced

[Dr. Evan Harris]

by the Government, is the very essence of House business, because it is the job of the House to scrutinise legislation? It is not the job of the Government to scrutinise legislation.

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. Unfortunately, I do not have the advantage of having seen his letter, though I do not doubt that it has been sent to me. Of course, he has tabled an amendment, of which I am aware and with which other Members of the House will be familiar.

Norman Baker (Lewes) (LD): On a point of order, Mr. Speaker. You will be aware that following the recent Government reshuffle, an increasing number of Ministers of the Crown find themselves in the other place, rather than in this place, including two Secretaries of State. Given your welcome determination to introduce reform in the House, what consideration will you give to holding those Ministers and particularly Secretaries of State accountable to this House, perhaps by their giving statements in this House?

Mr. Speaker: That would certainly require a change in the rules of the House, but it is something that the Procedure Committee might wish to consider, and I have just a sense that the hon. Gentleman will encourage the Committee to do just that.

Opposition Day

[14TH ALLOTTED DAY]

Iraq Inquiry

Mr. Speaker: I advise the House that I have selected the amendment in the name of the Prime Minister.

12.37 pm

Mr. William Hague (Richmond, Yorks) (Con): I beg to move,

That this House, while welcoming the announcement by the Government of an Inquiry into the war in Iraq, believes that the proceedings of the Committee of Inquiry should whenever possible be held in public and that the membership of the Committee should be wider and more diverse than the Government has proposed, and calls on the Government to revise its proposals for the Inquiry to meet these and other objections raised by hon. Members and to submit proposed terms of reference for it to the House on a substantive motion for full debate and scrutiny.

On a matter related to the motion, but before discussing it, may I express again the condolences of the Opposition to the families and friends of the two British hostages in Iraq, Jason Swindlehurst and Jason Creswell, whose remains were returned to the care of this country at the weekend. Their tragic deaths are a reminder that the lives of many British citizens are still painfully bound up with developments in Iraq, and that there are still three families waiting anxiously for news.

This is the fourth debate that I have opened on the subject during this Parliament, and when I heard that the Prime Minister was set to announce the long awaited and much delayed inquiry, I honestly did not expect to have to do so again. This debate is different from the previous ones, in that hitherto we have been pressing on the Government the need to establish an inquiry; our debate today is in direct consequence of the Government's decision, welcome in itself and in principle, to hold an inquiry.

The need for the debate has arisen from the fact that nine days ago the Prime Minister stood here and announced proposals for the Iraq inquiry which betrayed both poor advance preparation and inadequate consultation, and which as a result received severe and sincere criticism from all quarters of the House—criticism that was reflected in the reaction of people throughout the country. There was genuine disappointment that the Prime Minister had produced proposals for such a secretive, behind-closed-doors inquiry, despite the fact that both of the main Opposition parties had made representations to the Government that the proceedings of the inquiry should be much more open to public view, and it was accentuated by the fact that only the previous week the Prime Minister had talked of improving accountability and transparency.

Hon. Members on the Government Benches were among those who said that they were extremely disappointed that the inquiry would be limited in its remit or that they had hoped for a new politics of openness. The points were made that the membership was too restricted, quite apart from the timing being so utterly cynical and politically motivated, and that the response of the Prime Minister to important questions such as whether evidence would be given to the inquiry

on oath was, to say the least, unsure. It was the hon. Member for Cannock Chase (Dr. Wright), who is in his place, who put it to the Prime Minister, politely on that occasion, that he should regard his statement as

"the beginning of a short process of consultation, so that he can carry the whole House with him"—[*Official Report*, 15 June 2009, Vol. 494, c. 37.]

Since then, the Government have engaged in a series of climbdowns—a U-turn that was executed in stages as painful to watch as those of a learner driver doing a six-point turn having started off the wrong way down a motorway. The Government have performed that U-turn by getting the inquiry chairman himself, Sir John Chilcot, to announce the changes that we have all demanded, so that no Minister has had to return to the House and admit that the Government were in the wrong. Indeed, Sir John is now busily engaged in the very process of consultation with Opposition parties and others which a Prime Minister who was doing his job properly would have carried out beforehand.

Lembit Öpik (Montgomeryshire) (LD): Does the right hon. Gentleman agree that one reason why the public and right hon. and hon. Members are so sceptical about the chances of openness and transparency is the very attitude that he has outlined, whereby the Government have to be dragged kicking and screaming, unwilling to achieve such transparency from the outset? It suggests that they will do the very minimum necessary to get the inquiry through, rather than as much as possible to ensure that it is genuinely transparent and genuinely independent.

Mr. Hague: The hon. Gentleman is quite right, because such a beginning to the processes of the inquiry damages its credibility in the eyes of the public and makes it all the more important that that damage be now put right.

Mr. Michael Ancram (Devizes) (Con): My right hon. Friend referred to the politically cynical timing of the inquiry. Is he aware that, on 23 October 2003, on a motion that I proposed from that Dispatch Box calling for a public inquiry, one reason given for not acceding to it by the present Justice Secretary, who was then the Foreign Secretary, was that it could not report before the general election?

Mr. Hague: Yes, I am aware that my right hon. and learned Friend proposed an inquiry and has, therefore, been proposing one for six years now. That tells us something about the extent of the delay and the Government's ability to pluck out any convenient reason for changing the timing—even from one Parliament to another. However, the uncertainty and confusion that all that has produced is the reason why we are proceeding with today's motion and debate.

Ms Dari Taylor (Stockton, South) (Lab): Will the right hon. Gentleman give way?

Mr. Hague: Let me just finish this point, and then I shall certainly give way to the hon. Lady.

In one important sense, we have already achieved the central objective of tabling the motion for debate, which is that it has now been announced, albeit by Sir John Chilcot and not by Ministers, that

"it will be essential to hold as much of the proceedings of the inquiry as possible in public, consistent with the need to protect national security".

It should not have been necessary to table the motion in order to produce that result, but it was and so be it. It is of course a welcome development, but, given the uncertainty—

Clive Efford (Eltham) (Lab): Will the right hon. Gentleman give way?

Mr. Hague: No, I shall not give way at the moment, because I am just explaining why we have moved the motion.

Given the uncertainty that preceded that concession, the need for the Government in the form of the Foreign Secretary to make it clear that the Government's position has changed; the need for Ministers also to make it clear, in the light of weekend speculation, that they see no problem in this new approach to the inquiry—of evidence being given in public wherever possible—applying to the evidence to be given by the former Prime Minister, Tony Blair; and, given the number of other inconsistencies and clearly inaccurate statements—

Clive Efford: Will the right hon. Gentleman give way?

Mr. Hague: I have explained when I shall give way, and I am in the middle of an admittedly long sentence.

Given the number of other inconsistencies and clearly inaccurate statements produced by Ministers during the process of establishing the inquiry, combined with a continuing refusal to put the terms of reference of the inquiry to the House on a substantive motion, it is clearly necessary for the House to have a more detailed debate for the will of Parliament to be clear, and this motion provides the vehicle for those things to happen. [HON. MEMBERS: "Full stop!"]

Now, first in the queue for an intervention was the hon. Member for Stockton, South (Ms Taylor).

Ms Taylor: I am very grateful to the right hon. Gentleman, who is speaking to the House with considerable gusto this afternoon. I totally appreciate that; it is time that we all said as we think. However, is he suggesting to the House that, in any way, shape or form, he has evidence that the Government will not co-operate fully and factually with the inquiry? We need to hear from the right hon. Gentleman.

Mr. Hague: I am glad that the hon. Lady appreciates the gusto, although if she has been listening to my speech she will know that I have not said anything of the kind. My contention is that, although the Government set out to try to keep the inquiry behind closed doors and Sir John Chilcot's statement may now have rectified that, there are other serious deficiencies in the arrangements for the inquiry, and I am about to turn to them. First, however, I give way to the hon. Member for Eltham (Clive Efford).

Clive Efford: I agree with the right hon. Gentleman; the people, on both sides of the House, who were responsible for taking us into the war should not be able to hide behind the cloak of secrecy when they give evidence to the inquiry. However, will he explain how Sir John Chilcot's powers to expand the breadth of what is held in public have changed since the announcement last week? If what the right hon. Gentleman is putting forward is true, the Government must at some time have altered the powers given to Sir John Chilcot to set up the inquiry that he wants to set up.

Mr. Hague: That will be the subject of some of my speech and perhaps some of the Foreign Secretary's. The issue is not so much that the Government have altered Sir John Chilcot's powers; it is that they have now placed on him the burden of coming up with the proceedings and rules for the inquiry—including how much of it is to be heard in public. If I continue with my speech for a little, there will be an answer to the hon. Gentleman's point.

The Government's basic defence of their inquiry proposals is that many of us asked for a Franks-style inquiry and that that is what they consider they have produced. In fact, it is necessary to have only the most cursory acquaintance with the Franks inquiry to know that several of its attributes, which were important in making its processes and findings acceptable to Parliament and the public, were completely missing from the Government's proposals and how they went about them. Meanwhile, the one attribute of the Franks inquiry that almost everyone outside the Government regarded as no longer appropriate—its having been conducted behind closed doors—was the very one that the Government chose to continue with. I shall come to the point about openness or secrecy in a moment.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Does my right hon. Friend agree that another concern is that only recently the Government proposed that inquests could be held privately, without being open to the public gaze? Those proposals were later changed, but suspicions were raised about what the Government were up to.

Mr. Hague: My hon. Friend makes a related point, although not one immediately relevant to the motion. It was a good point, but I will carry on explaining the comparison with the Franks inquiry. It is possible for the House to understand how and why the Government went wrong on the issue only if it is aware of how the Government went about the consultation in advance of last Monday's announcement, and how that contrasts with the consultation that followed the Falklands war and preceded the Franks inquiry.

Paul Flynn (Newport, West) (Lab): Will the right hon. Gentleman give way?

Mr. Hague: Not at the moment, because a lot of Members will wish to speak.

The Franks inquiry was characterised by wide and lengthy consultation by the Government of the time with the Opposition parties. That led to broad agreement on the nature, scope and composition of the inquiry in advance of its announcement. In fact, in the debate on the Franks inquiry, Denis Healey, the then shadow Foreign Secretary, went out of his way to praise Baroness Thatcher, the then Prime Minister—something that we would all admit he has hardly ever done in his life. During that debate on 8 July 1982, Denis Healey said:

> "I must pay tribute on behalf of the other parties in the House to the fact that she consulted all of us about the procedures, the terms and the composition of the inquiry. She made substantial changes to her original intentions." [*Official Report*, 8 July 1982; Vol. 27, c. 503.]

He credited that attitude with producing the widespread support that the final proposals received.

In contrast, on this occasion, the Prime Minister initiated only limited consultation with Opposition parties—and then ignored most of the points that we made. Ministers therefore have no excuse for thinking that what they announced had the agreement of the Opposition. Asked last Tuesday on the BBC "Today" programme whether the Opposition had agreed that the membership of the committee of inquiry was right, the Foreign Secretary replied:

> "Yes but my understanding is…I was in Brussels yesterday, but the err…"

That was the transcript, but he did say yes. I hope that he will acknowledge today that in claiming that the Opposition had agreed the membership of the inquiry, he was not making an accurate statement.

Let me be clear about this. On the Friday afternoon, the Conservative party was given the inquiry proposals to be made on the Monday. That gave no time for any face-to-face meetings between Opposition leaders and Ministers, or even among ourselves. Nevertheless, we made several criticisms of the inquiry proposals. Only one of them was taken fully on board by the Government. They had intended that the inquiry should be able to look back no further than late 2002, but they accepted our suggestion that the date should be put back to 2001, bringing in the period following the 9/11 attacks.

However, we also argued, as I believe did others, that the inquiry sessions should be much more open, and indeed open whenever possible—the exact formulation that the Prime Minister chose to ignore but has belatedly been constrained to accept. We also called for an interim report from the inquiry in early 2010, given the unnecessary delay in its establishment and the Government's transparent intention to delay the publication of findings until after the last possible date for a general election—a manoeuvre that itself reduces public confidence in the inquiry process. An interim or earlier report would help to remedy that. That point, too, was ignored by the Government.

Paul Flynn: Although I believe that the openness of the inquiry has already been acceded to, the important point is the one that the Public Administration Committee has raised. That is the suggestion of having a two-tier inquiry, one to deal with the general issue for a long period and one to concentrate, in a short report produced in perhaps a matter of six months, on Britain's involvement. The key issue is the torment of the families of the fallen—did their loved ones die in vain? Was Britain deceived in going into the war? That can be reported on very rapidly.

Mr. Hague: We all hope that all those things will be encompassed in one inquiry, and I am sure that it is better to examine them in the round.

Mr. David Winnick (Walsall, North) (Lab): I was one of those many Labour Members who urged last week that the inquiry should be as public as possible. That is right and proper.

I believe that I spoke after the right hon. Gentleman in the debate just before we went into war. He was speaking from the Back Benches. I stand by my vote at that time, on the basis that the chief weapons inspector had not said that he was satisfied that all the weapons of mass destruction had been destroyed. On that basis, I voted for war. Does he stand by his vote?

Mr. Hague: I do stand by my vote and my speech on that occasion. No doubt when the inquiry reports, we will all have time to reflect on who was right and who was wrong. That is one of the reasons for having an inquiry.

I was running through the points that the Opposition made over the weekend of consultation before the announcement. We said that the membership of the inquiry, while encompassing people whom we had no call to criticise, seemed to us too narrow. We said in particular that some experience of ministerial office was desirable. The following Monday, my right hon. Friend the Leader of the Opposition also made the point that military experience was desirable.

We further pointed out that the inquiry, as proposed by the Government, would consist of four nominees, none of whom was a woman. The Government went a small way to meeting part of the objection by adding Baroness Prashar to the inquiry membership. I hope that the Foreign Secretary will acknowledge that his statement on the "Today" programme that the five people were approached before the Cabinet Secretary went to talk to the Opposition parties was inaccurate. The fifth, Baroness Prashar, was added only when it was pointed out to Ministers that they had proposed an inquiry too narrow in its membership.

In many ways, I am sorry to make these points to the Foreign Secretary, because he is normally perfectly good at consultation with the Opposition. Clearly he was misinformed and not properly briefed on what was happening by a Downing street that does not share his willingness to consult on and agree matters with the Opposition. Let us hope that that emboldens him when he comes to his next opportunity to depose the Prime Minister, which normally recurs about every 12 weeks.

The upshot was that the consultation with the Opposition was inadequate and unnecessarily short. Nor did the Prime Minister even bother to consult the armed forces about how an inquiry into this country's largest military endeavour since world war two should be conducted. The Chief of the General Staff, Sir Richard Dannatt, stated last week that he was not privy to the discussions about how the inquiry would be conducted.

John Barrett (Edinburgh, West) (LD): Does the right hon. Gentleman agree that the changes that he suggests should take place because the public have lost confidence in the House for another reason, and that it is absolutely vital to regain their confidence? Unless the changes that he has outlined are taken on board, the public will not believe that the outcome of the inquiry is fair and just.

Mr. Hague: I agree with the hon. Gentleman that the mess and chaos that I am describing, which accompanied the launch of the inquiry, underlines the need to take on board the points that Members throughout the House have been making, to give the inquiry proper public credibility and support.

At the same time as everything I have described was happening, ample consideration was given to the concerns of the former Prime Minister, Mr. Blair, who reportedly feared that an open inquiry would become a show trial. Time was found also to consult Mr. Alastair Campbell; he has confirmed that he was consulted on the specific point of whether the inquiry should be public or private. Their advice was taken, at least initially.

The proposals that the Government came up with were not the result of proper consultation. Nor have they had it in mind to subject them to democratic accountability and consultation after the announcement, for they have provided no opportunity to debate the inquiry's terms of reference in the House, as happened in Government time after the announcement of the Franks inquiry—another point that we put to the Government that was ignored, and another omission that the motion seeks to address.

The Foreign Secretary may wish to explain to the House what detailed terms of reference the committee of inquiry will be given, when it will be given them and whether the Government will respond to the widespread demand for those terms of reference to be approved on a substantive motion in this House. If they are not to be approved in this House, just who are they going to be approved by? Is it not unfair to Sir John Chilcot to expect him to clarify all the procedures and rules of the inquiry, leaving him open to subsequent criticism, rather than the Government being clear about what they want and winning the approval of the House?

Mr. Gordon Prentice (Pendle) (Lab): On that very point, the Government amendment asks the chairman of the inquiry, Chilcot, to consult party leaders on

"the scope for taking evidence under oath."

Surely everyone who gives evidence to the inquiry must give it under oath?

Mr. Hague: Sir John Chilcot has been placed in a difficult position by the ill-prepared announcement that was made last week. Clearly the Government had not anticipated the issue of taking evidence under oath, and they are now trying to put it right by asking Sir John to come up with some formulation that encompasses that. It would be useful to know whether the Foreign Secretary thinks that a solution has been arrived at, and I hope that he will address that point.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Does my right hon. Friend agree that the most outstanding continuing defect in the Government's proposals was shown in the Prime Minister's statement last week that the inquiry that he has established, unlike the Franks inquiry, will not be able to apportion blame even if it believes it appropriate?

My right hon. Friend said in his speech on 25 March that if the inquiry had not completed its proceedings by the time a Conservative Government came into office, they would feel free to alter its terms of reference. Can he tell the House that if the Prime Minister and the Government continue to refuse to allow the committee to apportion blame at the end of the inquiry if it so wishes, and the inquiry has not been completed when a Conservative Government come into office, they will give it such powers?

Mr. Hague: Yes, we certainly reserve the right to do that if the Government change and a committee of inquiry is proceeding in a way that we believe to be inadequate and without adequate terms of reference.

My right hon. and learned Friend makes an important point, and I hope that the Foreign Secretary will explain whether the inquiry's terms of reference will include the Prime Minister's injunction to it last week that it should

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not set out to apportion blame. Although we absolutely agree that learning lessons for the future is the primary purpose of the inquiry, a positive prohibition on its apportioning blame seems to us an unnatural and unnecessary restriction on any normal discussion of what happened in the past. The attempt to prevent the inquiry from apportioning any blame is again in sharp contrast to the Franks inquiry, and it is further evidence that Ministers have not set out to set up a Franks-style inquiry at all.

Rob Marris (Wolverhampton, South-West) (Lab) *rose—*

Mr. Hague: I think that I had better make a bit of progress.

Sir Menzies Campbell (North-East Fife) (LD): Will the right hon. Gentleman give way?

Mr. Hague: I will end up having to give way to both Members; I give way to the right hon. and learned Gentleman.

Sir Menzies Campbell: I am very grateful to the right hon. Gentleman, if I am still allowed to call him that. Before he leaves the question of evidence on oath, does he understand that Sir John does not have the power to put witnesses on oath? He might have that power if this were an inquiry under the Inquiries Act 2005, or if the House conferred it upon him. That is all the more reason for the procedures to be within the ownership of the House of Commons, not that of the Prime Minister.

Mr. Hague: The right hon. and learned Gentleman is absolutely right. That is why the terms of reference should be brought to the House. Then it would be open to any of us to move amendments to them, in order to clarify the many points such as the one that he has just made. Out of a sense of equality, I now give way to the hon. Member for Wolverhampton, South-West (Rob Marris).

Rob Marris: The right hon. Gentleman is generous as ever. Can he give an indication of what he thinks the inquiry's terms of reference ought to be?

Mr. Hague: Yes. I have described what the terms of reference should be several times in debates over the past three years. However, now that we have reached the point of the inquiry being set up, those terms of reference need to set out more of the procedures and rules, so that Sir John Chilcot is not placed in the unfortunate position of having to determine them all by himself.

The Franks inquiry was entirely different from what the Government have proposed. As Humphrey Atkins, one of the Ministers who resigned over the Falklands war, explained in the debate on the Franks inquiry:

"The inquiry may or may not apportion blame. That is for it alone to decide."—[*Official Report*, 8 July 1982; Vol. 27, c. 489.]

If Ministers really want a Franks-style inquiry, let them be absolutely clear that the members of the committee will have the same freedom to give their views. A debate on the terms of reference—something to which many hon. Members have referred—is one of the actions for which our motion calls. However, it also calls for the committee of inquiry to have a "wider and more diverse" membership, which the Government have so far failed to bring about or, indeed, tried to bring about.

Dr. Gavin Strang (Edinburgh, East) (Lab) *rose—*

Mr. Hague: I might give way to the right hon. Gentleman later, but I know that a lot of Members wish to speak.

The committee's members are distinguished historians, commentators and public servants. We have no objection to any of them as individuals, but the composition overall still leaves a lot to be desired. Not a single member has high-level military or governmental experience. There are no former chiefs of staff and no one with experience of being in a Cabinet. Those are considerable omissions, given that much of the inquiry's scope will either be military in nature or concern the decision-making processes at the highest level of Government.

Whatever the case against having such members, however, it cannot possibly be the one advanced by the Prime Minister in the House last week, which was wholly specious, and easily demonstrably so. His justification was that, rather than have people with political or military experience,

"We would do better in these circumstances to draw on the professional and expert advice of people who have not been involved in commenting on this issue over the last few years."—[*Official Report*, 15 June 2009; Vol. 494, c. 27.]

In making that remark, he revealed either that he was trying to brush off the objections in this House with an argument that he knew to be bogus, or that he knew astonishingly little about the people whom he had just appointed to the inquiry.

Of the four members of the inquiry who were originally proposed by the Government, Lawrence Freedman has written that

"The Iraq war is rightly criticised for its flimsy rationale and incompetence of the occupation",

and has referred at other times to the

"inept conduct of the Iraq war, from pre-war diplomacy to post-war reconstruction".

Martin Gilbert, a great historian, wrote in 2004 that George W. Bush and Tony Blair

"may well, with the passage of time and the opening of the archives, join the ranks of Roosevelt and Churchill."

Sir Roderic Lyne has not only commented on the war but was involved in the efforts to secure a second UN Security Council resolution, recalling that

"Like other British ambassadors, I received what is now known as the 'Dodgy Dossier'".

and referring to

"a massive failure of British intelligence,"

and

"obviously a failure of political intelligence."

Sir John Chilcot, the chairman of the inquiry, was a member of the Butler inquiry into the use of intelligence in the run-up to the war and has therefore helped to produce a whole report on one aspect of the war, let alone comment on it. All those people have commented on the war, and in some cases liberally so. In the light of that, how the Prime Minister came to think that none of the people appointed to the inquiry had commented on the Iraq war defies imagination. It is quite hard to think

how he could stand up in this House and justify the exclusion of others on the basis of an argument so obviously and totally inaccurate in its very foundations.

When the Foreign Secretary comes to reply, perhaps he will explain the answer to these questions. First, is it still the Government's considered view that it is not necessary to have on the inquiry anyone with substantial military, governmental or, indeed, legal experience? Secondly, if that is still their view, what is the real reason for that view, given that no credence whatever can be attached to the reason given last week by the Prime Minister? Thirdly, as Sir John Chilcot has tried to deal with part of the problem by having a military assessor attached to the inquiry, what possible reason is there not to have that military assessor as a full member of the inquiry? Fourthly, has the Foreign Secretary or anyone else asked Sir John Chilcot whether he would like the expertise that I have described among the inquiry's membership, and if not, why not?

It must be clear by now that the inquiry that Ministers announced was not remotely modelled on the Franks inquiry—not in its membership, not in its terms of reference, not in the House's ability to approve the terms of reference and not in the consultation process that preceded it. The Government decided to adopt the one aspect of the Franks inquiry that suited them—that it was held in secret—and say that they had announced something like the Franks inquiry.

The Prime Minister made much of that last week, saying that I had asked for a Franks-style inquiry, which he said

"is what we have got."

He also said:

"If people on the Opposition Benches want to change their mind, it is their right to do so, but what they say is completely inconsistent".—[*Official Report*, 15 June 2009; Vol. 494, c. 27-30.]

In fact, we have never called for a secret inquiry. In one of the all too many speeches that I have given in the House on this matter, I argued in the debate two years ago not only that the membership of the inquiry should

"draw on very senior diplomatic, military or political experience",

but that it should be able

"to hold some of its sessions in confidence if it needs to and to summon all the papers and persons it deems necessary."

The Prime Minister is happy to state in this House that the Opposition had asked for a secret or private inquiry, but the fact that we had said that it should be able to hold some of its sessions in confidence hardly equates to that.

In that same debate two years ago, hon. Members in all parts of the House were clear that the inquiry should be open. Indeed, I recall one hon. Member who was a Back Bencher at the time saying that

"we need an inquiry that is fully in the open".—[*Official Report*, 11 June 2007; Vol. 461, c. 534.]

That was the demand of the hon. Member for Rhondda (Chris Bryant), who is now the Under-Secretary of State for Foreign and Commonwealth Affairs. I am confident that he still holds the same view, although "fully in the open" goes beyond anything that we have asked for or that the Prime Minister has countenanced. Perhaps the hon. Gentleman's views were never asked for—or perhaps they were ignored.

The Prime Minister went on to assert that a more open inquiry would be bad for the armed forces. No sooner had he said that than he was contradicted by a mass of military figures. The Chief of the Defence Staff, General Sir Richard Dannatt, said that a part public, part private inquiry was an option

"that has a lot of merit to it."

General Sir Mike Jackson, head of the Army during the Iraq invasion, said:

"I would have no problem at all in giving my evidence in public...The main problem with a secret inquiry...is that people would think there is something to hide."

Air Marshal Sir John Walker, the former head of defence intelligence, said:

"There is one reason that the inquiry is being heard in private and that is to protect past and present members of this Government. There are 179 reasons why the military want the truth to be out."

In this war of words, I think that the generals represented the Government's true motives as clearly as the Government misrepresented theirs. Nevertheless, armed with those completely inaccurate assertions about the views of the Opposition and the military, the Prime Minister was insistent at the beginning of last week that the whole inquiry would be held in private. That was on Monday. On Tuesday, we tabled the motion now before the House, and many Government Members indicated that they agreed with it. On Wednesday, the Prime Minister suddenly wrote to Sir John Chilcot asking that

"those appearing before the inquiry do so with the greatest possible candour and openness"

and asking him to explain how the inquiry would be conducted. By Monday of this week; Sir John had given the more satisfying reply to which I have referred.

So when the Prime Minister was asked, during a limited consultation, to ensure that the inquiry was open whenever possible, he chose to ignore those requests. However, when faced with the possibility of a difficult vote in his House, he changed within hours the approach that he had been insistent on, but chose to do so not by coming to the House and saying that he had modified his proposals, but by setting up an exchange of letters with Sir John, without any announcement to the House.

One of the purposes of this debate is to allow Ministers to explain to the House their understanding of an inquiry that we are pleased will now be carried out on a substantially different basis from the one on which they were insistent only nine days ago. The policy on secrecy has been changed. The lack of military expertise has started to be addressed, but has not been fully addressed. The chairman of the inquiry has begun a process of consultation, suggesting that more changes could be on the way, as they should be.

An inquiry that is seriously overdue cannot even get off to a clean start, but will spend an unspecified period of time adjusting its remit—a recipe for confusion, rather than clarity. We appreciate the efforts of Sir John Chilcot to make up for the deficiencies in the initial announcement, but the Government's handling of the issue means that, as things currently stand, the inquiry will start its work with far less credibility in the eyes of the public or Parliament than it should have had.

In addition to answering the questions that I asked earlier, let the Foreign Secretary now assist the inquiry, the House and the country by being clear about the following matters. Is it now the view of Ministers, as

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well as of Sir John Chilcot, that the evidence put to the inquiry should be heard in public whenever possible, and will the Foreign Secretary confirm that to the House? Will he explain the true reason why the Government were opposed to such a position until days ago, given that the reasons put to the House by the Prime Minister were not credible ones? Will he confirm that it is the Government's view that the desirability of holding sessions in public whenever possible applies as much to the inquiry's forthcoming sessions with Mr. Tony Blair, Mr. Alastair Campbell and the Prime Minister as to anyone else? Will he also confirm that the inquiry will indeed be free to issue an interim report at any stage of its work, if it wishes to do so? Is he happy that a way can be found of giving evidence on oath or some equivalent to it? Will he confirm that the inquiry will have access to all relevant records of meetings and dealings between the British and American Governments?

Finally, will the Foreign Secretary apologise on behalf of the Government for the monumental mess that has been made of what should have been a straightforward process of consultation and consensus? Will he also undertake that the Government will provide to the House the honesty about their own processes, the accuracy about the statements of others, the clarity about the operation of the inquiry and the efficiency in the whole conduct of this business, which this Government, from the Prime Minister down, have so far been unable to supply?

1.11 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"welcomes the announcement by the Government of a wide ranging and independent inquiry to establish the lessons to be learnt from the United Kingdom's engagement in Iraq, which will consider the run-up to the conflict, the military action and reconstruction; recognises the importance of allowing the families of those who gave their lives in Iraq to express their views about the nature and procedures of the inquiry; notes the Prime Minister's request that the chairman of the inquiry consult party leaders and chairs of the relevant parliamentary committees on the scope for taking evidence under oath and holding sessions in public; and commends the proposal by the chair of the inquiry to hold as much of the proceedings as possible in public without compromising national security or the inquiry's ability to report thoroughly and without delay."

The right hon. Member for Richmond, Yorks (Mr. Hague) started his remarks by referring to the terrible situation of the families who have heard that their loved ones have been confirmed dead and of those who are waiting in fear for further news of the three hostages still being held in Iraq. Mr. Speaker, I hope that you will allow me to use this opportunity to confirm that the Government are exploring every avenue and following every lead to try to save the lives of the three remaining hostages. I hope that you will also allow me to take this opportunity to say something that we do not often get a chance to say: namely, that on matters such as this, the Government and the Opposition have to keep in close touch. The right hon. Gentleman referred on television the other day to the fact that he had been kept in touch on this issue over the past 18 to 24 months. It is important that I put on record in return that, at every stage, he has maintained the confidentiality that is essential to such relationships. I recognise that and, of course, it will continue.

Britain's involvement in Iraq has been one of the longest and gravest military and civilian deployments abroad since the second world war. It cost the lives of 179 British servicemen and women, and hundreds more were seriously injured. We will all wish to pay tribute to their sacrifice and that of their families. In addition, I am sure that the House will join me in recognising the courage and selflessness of all the military and civilian personnel who have served and continue to serve in Iraq, and the courage of the brave Iraqi people, many, many thousands of whom have also lost their lives, their livelihoods and their homes. Profound questions of international relations, nation building and regional security were, and are, at issue.

Harry Cohen (Leyton and Wanstead) (Lab) Is not the Secretary of State being mealy-mouthed in saying that many thousands of Iraqis died? Was it not 1 million? Cannot he at least confirm that?

David Miliband: It would be quite wrong of me to confirm that, because nothing—

Harry Cohen: Hundreds of thousands?

David Miliband: There were many hundreds of thousands. As I said, many, many thousands have lost their lives. There is no difference between us, whether we voted for the war or against it, about the scale of the suffering and the destruction. That certainly does not come between us at this point.

Mr. Winnick: We all know that hundreds of thousands have died, murdered, in the main, and certainly not by the British or the Americans, but by outright terrorists; so why will the opponents of the war, while maintaining their position—they say that they were absolutely right, and all the rest of it—not condemn the terrorist action, which they refuse to do—[Hon. Members: "Oh!"] Mass murder was carried out by terrorists, and certainly not by Britain or the United States.

David Miliband: Whatever position any right hon. or hon. Member has taken, I am sure that they all condemn the killing of the British servicemen and women and the innocent Iraqi civilians as a result of terrorist action. I honestly do not think that the passion that we all bring to this debate divides us on the ground of whether or not we condemn the killing of innocent people.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Will the Foreign Secretary give way?

David Miliband: On that point?

Mr. Ellwood: No.

David Miliband: I am grateful to the hon. Gentleman for his honesty. I shall make some progress.

The House is united on the point that the significant nature of Britain's involvement in Iraq demands an inquiry. It needs to be comprehensive, independent and "not a trial or an impeachment, but an effort to learn for the future." —[*Official Report*, 25 March 2008; Vol. 474, c. 47.]

Those are the words of the right hon. Member for Richmond, Yorks in March 2008, and I agree with him on how the inquiry should be conducted. It will have complete freedom to write its own report. The Government's case today is simple: Sir John Chilcot's inquiry and his proposed method of conducting it will meet all reasonable aspirations for an Iraq inquiry. The combination of his remit and his membership, plus expert advisers, and his commitment to public sessions for as much of the proceedings as possible will deliver to the country an inquiry of insight and value. Yes, the Government have listened. There is a balance to be struck between speed and confidentiality on the one hand and comprehensiveness and transparency on the other. The balance now proposed by Sir John Chilcot is new, but the Government believe that it will be effective and that it deserves strong support.

The right hon. Gentleman referred to the fact that there have been four previous debates on an Iraq inquiry. There have been four demands from the official Opposition in each case, and they will be at the heart of my remarks today, in addition to my answers to the points that he has just made. The first demand was that the inquiry should be comprehensive. The hon. Member for Woodspring (Dr. Fox), who is here today, said in the most recent debate on the matter, on 25 March, that the inquiry should have

"the fullest remit, including the run-up to the war, the conduct of the war and the preparation for, and conduct of, the post-conflict period".—[*Official Report*, 25 March 2009; Vol. 489, c. 362.]

The second demand was that the inquiry be independent. Each of the three motions on the subject moved by the right hon. Member for Richmond, Yorks—in June 2007, March 2008 and March 2009—has referred to the need for an inquiry by an independent committee of Privy Counsellors. The third demand was that the inquiry draw on expertise from outside the world of politics. The right hon. Gentleman said in 2006:

"A committee of seven Members of Parliament would necessarily be a partisan committee and the credibility of its findings would be correspondingly reduced."—[*Official Report*, 31 October 2006; Vol. 451, c. 182.]

The fourth demand was for a Franks-style inquiry. In motions, amendments, and speeches, the right hon. Gentleman has insisted that the inquiry be modelled on the 1982 Franks inquiry. The truth is that all four points are reasonable and serious and all deserve proper consideration. All draw on precedent as well as on common sense and all will be addressed in my speech today.

Sir Malcolm Rifkind: The Foreign Secretary has just said that the Chilcot inquiry will be completely free to write its own report as it wishes. Will he therefore confirm that, like the Franks committee, if the Chilcot inquiry decides that it wishes to attribute blame, it will be entirely free to do so?

David Miliband: It is inherent in the inquiry writing its own report that it will be entirely free to write its own report. As the Prime Minister said—

Sir Malcolm Rifkind: So the answer is yes?

David Miliband: As the Prime Minister said last week, this is not an inquiry that has been set up to establish civil or criminal liability; it is not a judicial inquiry. Everything beyond that will be within its remit. It can praise or blame whomever it likes, and it is free to write its own report at every stage. That will be taken forward.

Dr. Tony Wright (Cannock Chase) (Lab): We are clearly in a much better place than we were just a few days ago. In addition to the points that the Foreign Secretary has just mentioned, will he tell me whether, after Sir John Chilcot has consulted, there will be formal terms of reference? If so, will they be converted into a substantive motion to be put before the House? Both of those things happened in the case of the Franks inquiry.

David Miliband: I will come to that later in my speech.

Last week, the Prime Minister said in his statement that the inquiry would

"consider the period from summer 2001, before military operations began...and our subsequent involvement in Iraq right up to the end of July this year."

He then talked about an inquiry that will look at

"the run-up to the conflict... the... conflict and reconstruction".—[*Official Report*, 15 June 2009; Vol. 494, c. 23.]

so that we can learn lessons in each and every area. I will highlight later the fact that we have deliberately not ruled out areas that the committee can examine. Everything in the period 2001 to 2009 is within its remit. On the question of a vote in Parliament, we are obviously going to vote today. That is a good opportunity for right hon. and hon. Members.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Is the right hon. Gentleman saying that if anybody has lied to take the country to war, there will be no sanction as a result of the inquiry?

David Miliband: As the Prime Minister set out last week, this is an inquiry not to establish civil or criminal liability, but to learn lessons for the future, and it will write its own report. The right hon. Member for Richmond, Yorks used the term "impeachment". It is not an impeachment or a trial, but an inquiry designed to learn lessons.

Mr. John Baron (Billericay) (Con): I thank the Foreign Secretary, who is being generous in giving way. May I suggest that his list of characteristics of the inquiry misses the central point? I put it to him that, outside this Chamber, there is a real sense of anger and betrayal that this country went to war on a false premise, that premise being weapons of mass destruction. If the inquiry, or large elements of it, is not held in public, I suggest that that sense of betrayal will not be purged and the inquiry will fail, like the others before it.

David Miliband: With the greatest respect, I can only believe that the hon. Gentleman was not listening to what I said at the beginning of my speech. To quote myself, Sir John Chilcot's inquiry has made absolutely clear its commitment to hold public sessions for as much of the proceedings as possible. That answers the hon. Gentleman's point directly. I will go into some detail later.

Several hon. Members *rose—*

David Miliband: May I make some progress? Then I will happily bring in further comments and questions.

Mr. Gordon Prentice: Will the Secretary of State give way on that point?

David Miliband: I will return to the point about the public sessions. First, I want to deal with the scope of the inquiry.

The concern has been to ensure that the inquiry is able to address itself to all aspects of preparation for the military campaign, the military campaign itself, and post-conflict stabilisation and reconstruction. That is important. At various points, there have been allegations, for example, that the inquiry would not be able to look at the run-up to the war, or the decisions taken in Basra in 2006 to 2008. Those concerns are not well founded.

The Chilcot inquiry has the widest possible remit. The committee will be free not just to examine all the evidence, as I will set out, but to pursue what it considers are the most important issues. The scope is deliberately not limited. As the Prime Minister said last week:

"No inquiry has looked at such a long period, and no inquiry has the powers to look in so much breadth".—[*Official Report*, 15 June 2009; Vol. 494, c. 23.]

Secondly, on the question of independence, the Prime Minister wrote to Sir John Chilcot on 17 June assuring him of the Government's commitment to a thorough and independent inquiry. Sir John confirms in his reply of 21 June:

"I welcome the fact that I and my colleagues are free to decide independently how best to fulfil our remit."

Lynne Jones (Birmingham, Selly Oak) (Lab): Will the Foreign Secretary give way?

David Miliband: I want to get to the end of this section of my speech, then I will bring in my hon. Friend. I want to make four points before I pause, take interventions and deal with the public-private issue.

Thirdly, on co-operation from Government and access to Government papers and people, the Prime Minister has made clear not just to Sir John Chilcot, but to all Ministers and former Ministers, the need for full co-operation with the committee. The Cabinet Secretary has written similarly to Departments. Access to papers in official archives will be similarly unrestricted.

In the previous debate in the House, I was asked whether the committee's access to documents would include all Cabinet papers. I confirm that that will be the case. We have also been asked whether that includes access to papers from foreign Governments held by the Government here. Again, I confirm what the Prime Minister has said: that will indeed be the case.

On ensuring that witnesses give evidence with the greatest possible candour, Sir John has confirmed that he and his colleagues will consider whether it is possible to have a process whereby evidence is given under oath, taking into account the non-judicial nature of the inquiry. Again, that is an issue—

Lynne Jones: Will the Foreign Secretary give way?

David Miliband: I have said that I want to get through this section of my speech; then I will bring in my hon. Friend. Perhaps I will anticipate some of her questions.

Again, that is an issue on which it is right and proper to leave the discretion to Sir John and his colleagues.

In respect of the old canard about whether Tony Blair is willing to stand up in public and defend his decisions on the Iraq war, during a question-and-answer session last night—I am not sure whether it was a continuation of the masochism strategy that was started in 2005—he said, "I don't know how many times I have answered questions about Iraq in public, including now. There is no problem for me in answering questions in public." That is a canard.

Several hon. Members *rose—*

David Miliband: I want to deal with the questions on membership, but my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) has been very insistent and I will let her intervene.

Lynne Jones: I thank my right hon. Friend for giving way. Who did the Prime Minister consult about the composition of the inquiry, whether it would meet in public and its modus operandi, for example, in hearing evidence under oath? As Sir John Chilcot has raised those points about evidence being given predominantly in public, why was he not consulted before the Prime Minister announced that the inquiry would be in private?

David Miliband: Sir John was consulted. That is one of the points and I will come on to the reasons. The hon. Member for Bournemouth, East (Mr. Ellwood) wanted to intervene earlier. Is his point still relevant? He is a former officer.

Mr. Ellwood: I would like to intervene now, whether it is or is not still relevant. *[Laughter.]* One learns quickly in the House, Mr. Speaker.

My question is simple: does it require an inquiry to understand the fundamental flaw and the frustration that the military finds, which was echoed by General Robin Brims, who was the commander of 1 (UK) Armoured Division and in charge of the forces in Basra? He said that we went into Iraq and, a month later, it was clear that the looting would start, the gangs would form and the militias would be created because there was no plan for peace. Will the Secretary of State now acknowledge that we need a huge overhaul and an examination of the relationship between the Ministry of Defence and the Department for International Development? The world of warfare has changed from cold war to stabilisation operations. That is the fundamental frustration with our military, which is getting blamed for what happened in Iraq because the war fighting went well, but the peacekeeping was an absolute failure.

David Miliband: In the first debate on Iraq in which I participated after becoming Foreign Secretary, I talked about the precise fact that the success had been in winning the war, but not in winning the peace. I also talked about the fact that there were plans, as we now know, for how the process of peace building would be taken forward, but if those were not binned, they were certainly sidelined in the US Administration. All those issues, which are precisely about stabilisation and reconstruction, will be at the heart of the inquiry.

It is very important—the hon. Gentleman will know this better than many people—not to draw facile comparisons between Iraq and Afghanistan. None the less, there is a major job of reconstruction and stabilisation going on in Afghanistan, and we should certainly be sure that, in addition to the internal MOD inquiries, there are external inquiries.

Several hon. Members *rose—*

David Miliband: I shall bring in the right hon. and learned Member for Devizes (Mr. Ancram). Then, I want to make progress.

Mr. Ancram: The Foreign Secretary mentioned a moment ago the fact that Sir John Chilcot has been told to see whether there are ways in which he can produce evidence under oath. Mine is a genuine inquiry: can the Foreign Secretary tell me under what authority or power Sir John could do that, other than under a statutory inquiry procedure, or, indeed, by being given a power to do so by legislation passed by the House?

David Miliband: The right hon. and learned Gentleman knows well that the Inquiries Act 2005 sets out what is effectively a quasi-judicial procedure that may be appropriate for an inquiry that is set out to mediate between competing interests, but that is not what this inquiry is about. That Act also assumes legal representation for all parties concerned and restrictions on who may be questioned. For those reasons, among others, we chose the inquiry.

The Prime Minister raised the question of oaths in his statement last Monday. Sir John Chilcot believes that there are ways in which he will be able to meet that need. We cannot say that he has full independence to pursue his remit as an independent chair and then start to fetter his discretion.

Tom Levitt (High Peak) (Lab): I am grateful to my right hon. Friend for giving way and I thank him for the frankness of his statement.

No one underestimates the difficulty that Sir John Chilcot will have during the months of his work, but is he aware quite how difficult the job might be made for him by the publicly given evidence being put through a media filter by people who have already made up their mind on what the outcomes of his inquiry should be, based on evidence that cannot be complete because some of it will, of course, be given in private? Is Sir John capable of resisting media attempts over the months to prejudice the outcome of his discussions?

David Miliband: Sir John is a strong, able, dedicated public servant, and I think that he is well able to look after himself. He understands the need for an inquiry, not a circus. As I shall explain in a moment, the way in which he will balance the public and private elements will, I think—

Clare Short (Birmingham, Ladywood) (Ind Lab): Will the Foreign Secretary give way?

David Miliband: On this point?

Clare Short: On the point with which he is dealing.

David Miliband: In view of the right hon. Lady's role, I will give way, but then I must make some progress.

Clare Short: I thank the Foreign Secretary.

Surely it is wrong to allow Sir John Chilcot to decide whether evidence should be taken under oath when he does not have the power to require it to be taken under oath? He could make a recommendation to the House, but it is the House that would have to give that power to the inquiry. It will not be good enough unless evidence is taken under oath. I ask the Foreign Secretary please to reconsider.

David Miliband: Sir John has made it clear that there are ways in which he can invite the witnesses to make some kind of representation. This will not be a judicial inquiry. Sir John is not there to establish criminal— *[Interruption.]* He has said that he thinks he is able to do that, and I think we should let him do that. Certainly, if any witness did not follow the protocols established by Sir John, people would draw conclusions from that.

Paul Flynn: Will the Foreign Secretary give way?

David Miliband: No. I need to make some progress.

Fourthly, let me deal with the membership of the committee. The Government propose a committee of senior public servants and figures from outside Government. As the right hon. Member for Richmond, Yorks said, they are recognised as outstanding figures in their respective fields. He spoke of military insight, but the more he described the work of the committee members, the more evident it became that they possessed a large amount of relevant expertise. Sir Lawrence Freedman is the official historian of the Falklands campaign, Sir Martin Gilbert has written extensively on military matters, Sir Roderic Lyne was private secretary for defence and foreign affairs, and Sir John Chilcot was permanent secretary at the Northern Ireland Office. The hon. Member for South Hampshire is—

Mr. Keith Simpson (Mid-Norfolk) (Con): Mid-Norfolk.

David Miliband: I am sorry. The hon. Member for Mid-Norfolk (Mr. Simpson) is becoming excited.

In passing, the right hon. Member for Richmond, Yorks mentioned the role of the expert assessors, who will be chosen on the basis of their experience not only in military matters, but in legal, international development and reconstruction matters. It is true that the five people appointed to the inquiry are there because of their ability to sift different material, to ask hard and probing questions and to compose a final report of independence, insight and foresight. I believe, however, that Sir John's decision to add the assessors will ensure that any deficiencies that may exist are properly accounted for.

Patrick Mercer (Newark) (Con): Will the Foreign Secretary give way?

David Miliband: I want to make some progress, because I know that many Members wish to speak. If the hon. Gentleman will let me do that, we shall see how we get on.

Fifthly, I want to deal with an issue that has already prompted a number of questions: the conduct of the inquiry. The Prime Minister has invited Sir John Chilcot to consult leading Members of the House, including Select Committee Chairmen, and present proposals for

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the conduct of the inquiry to ensure that those who appear before it do so with the greatest possible candour and openness.

There are trade-offs on the public nature of the inquiry in the context of intelligence and other matters mentioned by the right hon. Member for Richmond, Yorks. He referred to the Franks report and the starring role of Denis Healey in the 1982 debate. He will also remember that Lord Callaghan described the Franks inquiry as a whitewash. Private inquiries are sometimes described as a whitewash, but other people have described the Hutton inquiry, which was held in public, as a whitewash. The truth is that if people have decided in advance what they are going to conclude, they will describe either a public or a private inquiry as a whitewash.

I think that Sir John Chilcot has anticipated precisely the points that were raised by my hon. Friend the Member for High Peak (Tom Levitt). Let me go through them. Sir John has set out four main parts of the inquiry, combining public and private aspects. First, there is examination and analysis of documentary evidence, which will be crucial to decisions on the course of the inquiry, including decisions on the selection of witnesses and detailed lines of questioning. It will, by definition, occur in private. Secondly, there is the question of public proceedings. Sir John Chilcot has said that it will be essential to hold as much as possible of the proceedings in public, consistent with national security and the candour of written and oral evidence. The Prime Minister and Sir John Chilcot have had close to the front of their minds the strong and legitimate interest especially of families of those who lost their lives in Iraq, and Sir John has made clear his determination to facilitate the public or private presentation of views.

Thirdly, there is the question of private proceedings, which will be important in allowing examination of matters relating to national security. Classified information will be protected and witnesses will be able to speak without fear of legal action. Intelligence questions obviously fit into that category. It is also important to protect the position and relationships of current public servants, while ensuring that the committee is given the full benefit of their expertise.

Fourthly, and much unheralded, as Sir John has pointed out, there is the publication and debating of the final report. The Prime Minister made clear last week that all relevant evidence should be published, except when national security or similar considerations prevent it. Sir John has confirmed his determination to follow that pattern.

The right hon. Member for Richmond, Yorks asked whether the Government supported those points. I confirm what the Prime Minister said in his reply to Sir John Chilcot the day before yesterday. The answer is yes, we do support the approach that Sir John has set out, and, as I said at the beginning of my speech, we have listened to the points that have been made.

Patrick Mercer: Will the Foreign Secretary give way?

Mr. Bernard Jenkin (North Essex) (Con): Will the Foreign Secretary give way?

David Miliband: I was going to conclude my speech, but I will give way to the hon. Member for Newark (Patrick Mercer), because he has been trying to intervene for some time.

Patrick Mercer: I am most grateful to the Foreign Secretary.

The Chief of the General Staff has made clear in the newspapers this morning that there were not enough troops to dedicate to Iraq, and that, even if there had been, the political will would not have been there. Will the Foreign Secretary guarantee that the balance of our fighting power, how and when it is deployed, and the mistakes that were made will be properly examined by the committee?

David Miliband: The whole experience will be examined, from 2001 to 2009. Precisely because nothing is ruled out and everything is ruled in, the committee will be able to do that.

Paul Flynn *rose—*

Mr. Gordon Prentice *rose—*

David Miliband: I am going to bring my remarks to a conclusion. I have been speaking for 25 minutes, and many right hon. and hon. Members—

Mr. Prentice *rose—*

David Miliband: As I said to the hon. Member for Pendle (Mr. Prentice) at the beginning that I would give way to him later, I think that it would be unfair of me not to do so now.

Mr. Prentice: I thank my friend. I listened carefully to what he said earlier, but I am still not clear about whether the majority of the sessions will be held in public or in private. In a briefing paper circulated to Labour Members today, his office said:

"The committee will sit in private with scope for public events and hearings".

Surely it should have said: "The committee will sit in public with scope for private events".

David Miliband: I do not think that my hon. Friend has any difficulty in understanding the phrase "as much as possible", and neither do I. "As much as possible" means that as much as possible will be in public. There will be the sifting of evidence that I have described, but when it comes to the hearings and evidence sessions, as Sir John Chilcot made clear in his letter to the Prime Minister earlier this week, as much as possible will be held in public. I am not going to put a percentage on it, but Sir John's intention is plain. He has made it clear that national security issues will prevent some sessions from being held in public—that obviously relates to intelligence matters.

Paul Flynn: Will the Foreign Secretary clarify the answer that he gave to my hon. Friend the Member for Cannock Chase (Dr. Wright), who asked whether there would be another discussion on these matters and a vote? Is the only way of supporting the point made by my hon. Friend to vote against the Government

amendment? The Foreign Secretary's answer was that we would have a vote today. Would he interpret a vote in favour of the amendment as a decision by the House that it is against a further vote and a further discussion on the final proposals?

David Miliband: No. I would interpret it as indicating that my hon. Friend supports the Government amendment, which says that Sir John Chilcot has set out the appropriate way in which to conduct the inquiry. My hon. Friend has been in the House longer than I have, and I certainly would not seek to prevent him from articulating his views further at any stage in the future, but I would interpret his support for the amendment as an indication that he believes, as I do, that for all the comings and goings of the past 10 days, the Chilcot approach now meets all reasonable aspirations for a comprehensive, independent, thorough inquiry into the Iraq conflict and its aftermath.

Mr. Jenkin: Will the Foreign Secretary give way?

David Miliband: I give way to the hon. Gentleman, although I do not know why I am doing so.

Mr. Jenkin: May I put it to the right hon. Gentleman that, notwithstanding all the expertise that he has mentioned, he has not mentioned any expertise within Whitehall in relation to the considerable dislocation between Departments, which contributed to the lack of a plan at the time?

The Foreign Secretary has not properly answered the point raised by the hon. Member for Cannock Chase (Dr. Wright), or the point about evidence being given on oath. I appreciate that he has made a lot of concessions in terms of the original proposal, but is not the present proposal for an inquiry really just a mess, and should he not withdraw it, and instead consult properly with the Opposition parties and move forward with a proper consensus?

David Miliband: I honestly think that the hon. Gentleman must have been talking too much to his colleagues during the course of the debate so far, or at least not have been listening. I think that we have clearly answered the questions that have been put. I am reliably informed that one does not need a statutory power to administer an oath, and I am happy to give further guidance on that later.

The truth is that for two years the Government and Opposition have been agreed on the need for a Privy Council inquiry into Iraq.

Harry Cohen: Will the Foreign Secretary give way?

David Miliband: No.

Harry Cohen: On a point of clarification?

David Miliband: In that case, I shall give way.

Harry Cohen: I just want to ask this question: will the inquiry be able to call witnesses who are not of UK origin, such as, perhaps, Hans Blix or Kofi Annan?

David Miliband: I am very happy to give an unabashed and unwavering affirmative answer to my hon. Friend on that issue, and I am sure the inquiry would take evidence from him as well, if he would like to give it.

I was saying that the truth is that—

Lynne Jones: Will the Foreign Secretary give way?

David Miliband: No, I am sorry but I will not give way. My hon. Friend can speak later in the debate and—*[Interruption.]* Well, she is not a member of the Defence Committee, which was the reason I gave way previously. Nevertheless, I shall give way once again.

Lynne Jones: All I would like to know is whether, when the Prime Minister consulted Sir John Chilcot about the inquiry, Sir John agreed that it should meet in private.

David Miliband: My understanding is that Sir John Chilcot had no objection to the announcement the Prime Minister made on Monday 15 June. He was very content with that and with the proposal that was made. In the light of the Prime Minister's subsequent letter of 17 June, Sir John Chilcot considered the best way of conducting the inquiry.

As I was saying, the truth is that for two years the Government and Opposition have been agreed on the need for a Privy Council inquiry into Iraq, and we now have one. We have been agreed that it should be broad ranging and independent and draw on non-political expertise. That is the model that we have proposed. We also now have a widely respected chairman setting out the foundation of his approach and the balance between public and private hearings, with as much as possible in public. The result is an inquiry that can fulfil the mandate given to it of learning lessons that strengthen our diplomacy, our military and our democracy.

The right hon. Member for Richmond, Yorks cannot credibly claim any fundamental disagreement with the Government about the nature, terms, scope or organisation of the inquiry, and the longer he talked about how much he welcomed the changes we have made since last Monday, the harder it became to understand why he was still making his own proposal for an inquiry. Sham outrage, and never mind bandwagonism, are good reasons to vote down the Opposition motion. An even better reason is that the Government amendment offers the country an inquiry that meets the needs of the country, and I commend it to the House.

1.43 pm

Mr. David Heath (Somerton and Frome) (LD): I should start by offering the apologies of my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) for not being present. I think that he has written to both the right hon. Member for Richmond, Yorks (Mr. Hague) and the Foreign Secretary to explain why, for family reasons, he has not been able to open the debate for the Liberal Democrats.

I welcome the debate; it is both timely and valuable. I also accept right from the start that it is fair criticism of me and my colleagues to say that we approach this issue with a particular mindset. We opposed the war in Iraq and none of us have changed our minds on that. I and my party have never faltered in expressing our enormous respect for the courage and professionalism of the

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armed forces who are deployed in Iraq, and it is precisely because we are concerned about that deployment and the equipping of those armed forces that we think this inquiry is so important. I and my party have repeatedly and regularly argued for an open, independent and thorough inquiry. What we want is not a closed, Franks-style inquiry, nor an inquiry designed to protect the former Prime Minister—or, indeed, anybody else—but one that is capable of arriving at the facts and displaying them openly. Every time we have argued for that—which has been over many years now—we have been met with a degree of prevarication from the Government; there has always been one reason after another why the time was not right to have this inquiry. Possibly the most disingenuous was that, in the very latter stages of British troop involvement in Iraq, it would somehow cause a massive diversion of military attention if we were to hold an inquiry in this country into the causes and conduct of the conflict in Iraq. It was argued that that would distract the military authorities from their role in Iraq. However, at the same time, we were massively increasing our involvement in Afghanistan. That, apparently, was not any sort of distraction at all.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Is the hon. Gentleman not struck by the fact that in the United States there have been a number of inquiries into the war, how it came about and the processes behind it, and that some of them have been conducted in public while excluding the necessarily secret areas? Is that not in stark contrast to the reluctance of the British Government, who seek privacy in trying to resolve such fundamental issues?

Mr. Heath: The hon. Gentleman is right. In both America and other European countries, there have not apparently been the obstacles that the British Government believe were in place to an open and independent inquiry. Also, historically, a number of examples of inquiries were held while hostilities were still taking place and they were faced with no apparent obstacle to their progress.

We finally reached the end of this stonewalling period, however, and the Prime Minister came to the House on 16 June to announce the terms of the inquiry. I think it is fair to say that Members in all parts of the House were less than impressed with what they heard from him, because he seemed at pains to stress—almost over any other consideration—how little of the inquiry would be held in public.

Clare Short: None.

Mr. Heath: Yes, if it had been possible to hold none of it in public, I think that would have been exactly the position the Prime Minister would have adopted. That is why I found it a bit rich to hear the Foreign Secretary's contribution today. He suggested that the Prime Minister, after having told the House that the inquiry would be held in private, immediately on returning to his office wrote to Sir John Chilcot to say, "Well, of course I want you to make this as open as possible, and not the other way round." Had we had proper consultation on the way in which this inquiry would be conducted in advance of the Prime Minister's statement, that would have made him look a little less foolish, and it would also have been for the good of the House. He has clearly had his mind changed for him—that is more accurate than "changed his mind", I think. Had we had the early consultation that I think most people in his position would have undertaken, we would not have been in that position, but it is clear that the consultation was vestigial and inadequate.

What we had is what we always have from this Prime Minister: he develops an idea, he writes it down on a sheet of paper in big black felt-tip, and he then announces it and demands consensus support from all Members on both sides of the House—and, in this instance, an independent chairman of a public inquiry. When he does not get that support and he has to backtrack on the position he has taken, he does not do so openly; he does not make an announcement—

John Barrett (Edinburgh, West) (LD): He does not do so here.

Mr. Heath: Yes, as my hon. Friend says, he does not do that here. He just allows it to be known that the Government have changed their position. Well that is not good enough, and in this instance it puts Sir John Chilcot in the almost impossible situation of having to undertake an exercise in post facto consultation and then to derive different terms of reference for the inquiry from those that were set out by the Prime Minister.

One of the difficulties that the Prime Minister has had is what he said, categorically, in response to my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg):

> "We also have to take into account what serving officers will want to say to the inquiry. I think that...all those things involve a degree of confidentiality that would not suit a public inquiry".—[*Official Report*, 15 June 2009; Vol. 494, c. 29.]

That bold assertion lasted barely 24 hours before senior members of the military said what nonsense it was. I am pleased that the right hon. Member for Richmond, Yorks quoted Air Marshal Sir John Walker, the former head of defence intelligence, because his comment was powerful and chilling in its clarity. He said:

> "There is one reason that the inquiry is being heard in private and that is to protect past and present members of this Government. There are 179 reasons why the military want the truth to be out."

Those are 179 good reasons, and one might add that there are several hundred thousand other good reasons in the state of Iraq.

Mr. Baron: I suggest that this episode not only reveals the mindset of the Prime Minister, but illustrates yet again the hallmark of this Government, which has been secrecy about the lead-up to the war. Even when I asked the Foreign Secretary to ensure that the vast majority of the inquiry would be held in public, I did not get a definite answer that it would be. It was an answer in which he tried to hedge his bets when it came to the exact extent to which the inquiry would be held in public. That hallmark secrecy is what the public find so distressing about this Government's approach.

Mr. Heath: The hon. Gentleman is right. When in doubt, a blanket will be drawn over proceedings. We heard the quote from the briefing note, cited by the hon. Member for Pendle (Mr. Prentice). Indeed, the Government amendment is not far removed from that briefing note.

The difference is that last week the Prime Minister wanted us to believe that the inquiry would be in private. Now it suits the Government to have us believe that the inquiry will be mostly in public, but I have my doubts—and I have legitimate reasons to have doubts.

John Barrett: Does my hon. Friend agree that another group of people would like to see the inquiry held in public? When the 100th soldier died in Iraq, his parents, who are constituents of mine, contacted me because they were concerned about what had happened. They too deserve a full, open and public inquiry.

Mr. Heath: Of course they do, and I am glad that my hon. Friend makes that point. Sadly, there are grieving families up and down this country who deserve to know the circumstances in which this conflict was undertaken and in which their loved ones died. Many more service personnel were wounded, and they have not yet been mentioned.

I want to know—and it would be nice to hear from the Foreign Secretary—the precise criteria for closed sessions of the inquiry. What is the definition of the "public events", mentioned by the hon. Member for Pendle, and the private sessions? Clearly, certain classified information will need private sessions, but many of us suspect that they will be the norm for much wider categories of information. What criteria will be used to determine whether a session should be in public or private? Will those criteria be published and how will they be assessed? We need to know the answers.

Mr. Michael Mates (East Hampshire) (Con): I hope, but I obviously cannot predict, that the inquiry will work in the same way as Committees of the House. I had the honour of chairing the Defence Committee when we were holding some very sensitive inquiries into the Trident programme. It was more or less up to the witness to say, "That is a question I cannot answer in public, but I will answer in private." We would go into private session when we had finished with the public part. So the public will get an idea of the sort of questions that witnesses are not prepared to answer in public, provided they are led down that path. That should be reassuring to some degree.

Mr. Heath: I am not sure that I am entirely reassured by that. Yes, of course, it is reasonable for a witness to suggest that material that they may wish to share is confidential, but a decision then has to be taken—as it would be in a court, in certain circumstances—on whether that view is justified. I hope that the committee will be sufficiently robust to take the view that that which does not have to be heard in private will not be heard in private.

The inquiry will be essentially an inquisitorial process. It will not be the same as a court of law, which is confrontational. It needs to be able to scrutinise and sift material carefully, and it must also follow lines of inquiry. I share the view of the right hon. Member for Richmond, Yorks that we need to ensure that the inquiry has access to those who are expert in the particular areas that need to be explored. It may be that the panel of assessors will cover all those areas, but Sir John Chilcot will have to be exceptionally careful to ensure that it does. But I would go further. Those inquiries that are most effective have the benefit of a counsel to the inquiry—someone who is expert in cross-examination and with experience of it in courts of law or elsewhere, and who can follow a line of inquiry in a way that no lay member of a committee, however experienced and competent, can do. I strongly argue that the inquiry should have the benefit of a counsel to the inquiry to provide that expert support, in terms of identifying the necessary written evidence and guiding lines of inquiry. I hope that Sir John Chilcot will accept that suggestion.

The power to summons is not included in the terms of reference for the inquiry. The Prime Minister has provided an exhortation to people to be prepared to give evidence to the inquiry. I hope that that takes the form of an order to members of the Government in the wider sense—including civil servants and former Ministers—to give evidence to the inquiry. I hope—and I trust that Conservative Members agree—that if there is any request for evidence from our parties, we would be prepared to provide it in person and in supporting material. There were occasions, especially in the lead-up to the war, on which contacts were made by several parties with counterparts in the US and elsewhere that are relevant to the conduct of the war and the expectation that this House would support it.

It has been made clear that Government papers will be provided, and the Foreign Secretary was explicit about Cabinet papers today. Can he be explicit about whether that will include legal advice to Cabinet, because that has so far been officially withheld? Will it be made available—*[Interruption.]* The Foreign Secretary says from a sedentary position that it will be provided, so we have broken through that final barrier, that we have been arguing now for so long—that the legal advice on which the war was waged will be available to this inquiry and will be made public. I am very pleased to have had that answer. I hope that it will not be redacted to a plain piece of black paper—we shall see.

Clare Short: Just for clarity, the legal advice appeared at the last minute in an answer to a parliamentary question in the House of Lords. The other legal advice, which was never circulated to Cabinet, came out when it was leaked during the election campaign. There was no other legal advice.

Mr. Heath: We had leaked advice, but it is a fundamental shift of policy by the Government formally to allow sight of the legal advice to the Cabinet. I am delighted that the Foreign Secretary has made that point and we shall see whether there is any other legal advice that was forthcoming in the context of the lead-up to the war. It is relevant.

May I move to the issue of evidence under oath? I agree entirely with those who say that the best way of dealing with that is for this House to give authority to the inquiry to take evidence under oath. This is not an inquiry under the terms of the Inquiries Act 2005. It is not a court of law. However, it is nevertheless quite open to the House explicitly to give that power. I believe that the inquiry, in any case, has the right under law to receive evidence under oath. I have been looking carefully—this might surprise some hon. Members—at the Evidence Act 1851, and section 16 is still extant in this area. It states:

"Every court, judge, justice, officer, commissioner, arbitrator, or other person, now or hereafter having by law or by consent of parties authority to hear, receive, and examine evidence, is hereby empowered to administer an oath to all such witnesses as are legally called before them respectively."

[Mr. Heath]

That confers a power not just on court officials but on any person and if both parties are agreed, they can give evidence under oath. That is important because once they have sworn an oath, they are subject to the laws of perjury. That is the key point—*[Interruption.]* The hon. and learned Member for Torridge and West Devon (Mr. Cox) disagrees with me on this point, but I have advice from another learned gentleman that that is precisely what would happen. The hon. and learned Gentleman must explain to me why it would not.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): In order for someone to be found guilty of perjury—or to be charged with perjury—it has to be demonstrated that the events were proceedings within the meaning of the common law. The difficulty about an informal inquiry that is not set up under the Inquiries Act is that it is quite likely that a court would hold that its proceedings were not proceedings of that character. Clarification is needed, at the very least.

Mr. Heath: Clarification is certainly needed, and I am not equipped to argue points of law with the hon. and learned Gentleman, save to say that any affidavit sworn before an officer of the court is subject to the law of perjury and that certainly is not within the course of proceedings.

Mr. Michael Ancram (Devizes) (Con): There is one way of getting out of this confusion, and that is for this House to pass a one clause Bill enabling the committee to administer the oath within the proceedings.

Mr. Heath: I think that that is the case, but I am not even sure that it needs an Act of Parliament. I think that a mere resolution of this House could confer that right. I do not understand why the Secretary of State or any other member of the Government should resist such a move, because it seems so self-evidently necessary. Although I welcome the fact that Sir John Chilcot has said that he wants to specify to witnesses the need to be truthful, I do not think that that suffices in the context of an inquiry of this nature.

Sir Menzies Campbell: I am not sure that I am going to be entirely helpful to my hon. Friend, for which I hope that he will forgive me. The material part of the quotation that he read was the words "by consent". In those circumstances, if a witness came before something that might not be proceedings in the technical sense and he or she declined to give consent, clearly the provisions of the statute to which he referred would not apply. As has just been pointed out, the straightforward way to do this is either with a piece of legislation or a resolution of the House empowering Sir John Chilcot's inquiry to put witnesses on oath and, more to the point, compelling them to attend.

Mr. Heath: I entirely agree with my right hon. and learned Friend. That is the weakness of the position—that provision depends on mutual consent—but, of course, if a witness was not prepared to accept the provisions of an oath by mutual consent, it would be in order for the inquiry to draw conclusions about the veracity of the evidence that was then adduced.

Dr. Tony Wright: Let me try to be additionally helpful on that point. Surely the essential difficulty is that the Inquiries Act abolished the Tribunals of Inquiry (Evidence) Act 1921, which required a resolution of this House. Under that Act, all the powers that we are talking about were included. Parliament has given up the ability to enforce these provisions and needs to rediscover it.

Mr. Heath: The hon. Gentleman is absolutely right. I am delighted to say to him that if he is in the House on 7 July, he will hear that a ten-minute Bill in my name, the parliamentary commissions of inquiry Bill, will be introduced that restores the right of the House to do exactly what the hon. Gentleman's Committee has recommended—that is, to be able to set up parliamentary commissions of inquiry independent of the Executive. That is exactly what this House should have the power to do.

It surely cannot be right for witnesses to limit their preparedness to provide evidence. That means that someone cannot breeze in and say to the inquiry, "Right, I've got an hour and then I'm off to Dusseldorf. I'm sorry, but that's what you've got, so please ask your questions and then I will be on my way." Frankly, we have seen that happen when people have appeared before Select Committees and it must not happen before an inquiry.

As has already been said, the inquiry has an enormous remit and it breaks down into various parts. I welcome the fact that it has a large remit, but I do not welcome the almost interminable delay in producing any response that might be occasioned by the size of the remit. It is important that we therefore have phasing—I do not know why the Foreign Secretary finds this amusing. It is quite clear that conduct before the war is quite different from the conduct of the war, which is quite different from the peacebuilding operation. It is perfectly proper for the inquiry to consider those matters separately and in turn and to produce interim reports. I see absolutely no reason why, in the first instance, it should not consider the matters that preceded the involvement of the United Kingdom in this conflict and report on that. It does not need to take a huge amount of time from now for that to happen. I strongly commend to the inquiry that it phases its work in such a way. If we can assist by giving an indication from this House that that would be our preference, I think that we should.

The Iraq war was, in the view of many of us, a quite massive failure of British foreign policy that was aided and abetted by those on both sides of the House who were not prepared, perhaps, to consider the evidence with sufficient assiduity. It is essential that we form a view, that we learn from experience and that we provide the truth, as far as we can, by means of this inquiry. That will help all those who have enormous concern about the conduct of the war—they expressed it at the time and have expressed it since—all those who have been involved through the military and who have seen at first hand the difficulties, and all those who wanted the rebuilding of Iraq to take place with greater coherence of strategy and policy than was the case.

Until we have a proper open, transparent, rigorous public inquiry into these matters, those lessons will not be learned. That is why I will recommend that my right hon. and hon. Friends support the motion tabled in the name of the right hon. Member for Richmond, Yorks. I hope that the House will speak clearly on this matter.

because I do not believe that the Government will not take acquiescence with their proposed amendment today as approbation for the inquiry that they seek. I do not believe that the matter will come back to the House again on a Government motion. I believe that this is the last time that we will have the opportunity to speak on it and we must make our voices heard.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I should remind the House that Mr. Speaker has placed a 10-minute limit on Back-Bench speeches.

2.9 pm

Dr. Tony Wright (Cannock Chase) (Lab): Following that injunction, I think that we should all try not to revisit the substantive arguments about the Iraq war, on which we all took vigorous and divergent positions. For myself, I anticipated that I would support the Iraq war. I was a great admirer of the former Prime Minister—as, indeed, I am a great admirer of the current Prime Minister, and as I will be of any future Prime Minister from the Labour Benches—but I was also taken with the courage of his devotion to the cause of liberal interventionism and of trying to do good against evil in the world.

I was therefore in the market for military adventure, but the problem was that I could not follow the logic of the argument. I am sure that many others shared that problem. When we talk about the inquiry, the central and abiding questions that it has to engage with are as follows: how did we get from 9/11 to March 2003? How did we get from the twin towers to the invasion of Iraq? What was the policy narrative that took us from one to the other?

Everyone has constructed their own narratives about these events, some of which will remain forever unverified. For example, I think that we shall never know about the legality of what was done. The nature of international law is such that we shall never come to a settled view on that. We can discover more about the process by which the Government took legal advice and so on, but I do not think that we will ever settle central questions of that kind. However, I do think that what we will be able to discover will enable us to understand far better the policy process that took us from 9/11 to the Iraq war. Further questions involve what happened after the invasion, and why we had so much trouble managing the peace in the years that followed.

The inquiry needs to tell us all that because, as has been said, public confidence in our governing process has no chance of being restored unless we can find a narrative that people can test. They need to feel that the process has at least been properly interrogated and examined, and an inquiry is absolutely essential for that purpose.

One of the difficulties with what the Government announced was that they seemed not to understand that that would be a central purpose of the inquiry. It is, of course, absolutely pivotal that we learn all the lessons, and the Government were right in the way that they established the scope of the inquiry and its extensive period. However, to think that the inquiry would be just about learning lessons—important though that is—is to fail to understand what its several purposes have to be.

Inquiries always have several purposes, but a major purpose of this inquiry must be the one that I am describing—to get inside the policy process so that we can begin to answer the questions that still hang in the air and so contaminate people's trust in that process. Without wanting to insert my own narrative into the events, I believe that an inquiry therefore has to be a huge process of decontamination, as it were, of the decline in trust occasioned by what happened.

As I said in an earlier intervention, we are in a much better place now than we were just a few days ago. If I may say so, I did not feel that my right hon. Friend the Foreign Secretary's heart and mind were fully engaged by what he was telling us today. I think that I have known him well enough and long enough to know when his heart and mind are fully engaged in what he is saying. I think that he had to say what he said but, if I may say so, I do not think that he quite believed it.

The truth is—and we need to be truthful, as this is a big issue—that what has happened is an object lesson in how not to set up an inquiry. I do not say that with any pleasure, but it is simply the fact of the matter. The terms of the Opposition motion are entirely right, and the only thing that would constrain me from voting for it is the certain shamelessness on their part in putting it forward.

With his usual ingenuity, the right hon. Member for Richmond, Yorks (Mr. Hague) sought to explain what his party really wanted when it called repeatedly for a Franks-style inquiry. That, of course, was a private, Privy Counsellor, inquiry, but the right hon. Gentleman said that that was not what he actually meant and that what the Opposition really wanted was all kinds of other things.

If I was confused by that, I am not surprised that my right hon. Friend Prime Minister was too—or that he might have thought that he was giving the Opposition what they had asked for. The Opposition, realising that a different political moment has arrived, now pop up and say that they were in favour of a public inquiry all along, but that is simply not the case.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): The hon. Gentleman's record on these matters is impeccable and I apologise for interrupting him in mid flow, but when I was Leader of the Opposition we called for a full public inquiry. That was before the Opposition adopted the present position—and, by the way, we did not use Franks as a caveat.

Dr. Wright: Obviously, I was completely misled by what was said in the House at the time. I am sure that closer textual analysis would have revealed all the caveats in place then, but I am explaining why it is difficult to sign up to the Conservative motion today, even though I think that its terms are entirely right.

I think that we have to do better with the inquiry's terms of reference; it is not satisfactory to have an inquiry with no formal terms of reference. The period that has been set out is the correct one, and there has been a statement about learning the lessons of what happened in that time, but we must do better in establishing the inquiry's formal terms of reference—that is, what its purpose is.

[Dr. Tony Wright]

Should the inquiry be public or private? Anyone who has thought about that for a moment will understand that, 30-odd years after Franks, it is not possible to announce that an inquiry of this kind on a central public policy issue could be conducted entirely in private. We have only to sniff the air to know that that is not doable any more.

It is right to say that, after Hutton, some people will damn all inquiries even before they start. Yet the Hutton inquiry operated in public and had its own website: all the material was posted there for people to interrogate for themselves, and the sky did not fall in. Government did not become impossible, and in the present circumstances it was just not sustainable—and nor should it be—to announce an inquiry into the Iraq war and say that it would be held entirely in private.

The composition of the inquiry is well worth attending to, as several hon. Members have noted. What is the best balance of expertise that will be required? How will the inquiry be conducted? There is much merit in thinking about segmenting the inquiry. The huge, dominant issue has to do with the run-up to the war and the decision to go to war, but a second issue is what happened with the preparation for after the war. What was the cause of all the trouble then?

I can see that it would be possible to conduct the first part of such an inquiry in a much shorter time than the whole thing would need. It may well be that Sir John Chilcot will think that a sensible way to proceed, but he certainly could have been pointed in that direction.

I want to repeat, very quickly, the point that I made in my intervention on the hon. Member for Somerton and Frome (Mr. Heath), as the House needs to understand why it has been marginalised in these matters. I set out the position under the Tribunals of Inquiry (Evidence) Act 1921 because it inserted Parliament, albeit in a formal sense, in the centre of the process involved in setting up an inquiry. That process gave an inquiry all the powers of a High Court judge. All the procedural rules were in place, and the inquiry had all the authority of Parliament behind it. That was converted into a parliamentary resolution, with terms of reference. What we have done is to allow the Executive to remove Parliament's residual role from the process of setting up an inquiry.

When our Select Committee looked at this, we were particularly concerned about circumstances where Governments did not want to set up an inquiry, but having one was in the public interest. In those circumstances, how could Parliament itself initiate the process of having an inquiry? For a time, that was the issue with Iraq. It looked as though the Government were less than keen about having an Iraq inquiry, and Parliament did not have any mechanism to bring one about.

Now we have had the announcement on the Iraq inquiry, but Parliament has not been involved in the process of thinking about some of the issues—about purpose, terms of reference, composition and so forth. That would have been the normal procedure until the previous position was abolished. I thus invite the House of Commons as part of its general project at the moment of reclaiming—

Mr. Deputy Speaker: Order.

2.20 pm

Mr. Michael Ancram (Devizes) (Con): I am grateful to be called, Mr. Deputy Speaker. I shall be brief, as many of the points I wished to raise have already been made, as is the nature of such debates.

It is always a pleasure to follow the hon. Member for Cannock Chase (Dr. Wright). I listened to him with great care, but he was wrong on one point, when he said that he had not heard that we had been calling for some time for a judicial inquiry. In fact, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) moved a motion on 4 June 2003, calling for such an inquiry, and I supported him on it. I moved a motion on 16 July 2003 and again on 23 October 2003, each of which called for a judicial inquiry where the proper rules of evidence could be applied. It was on that latter occasion when the then Foreign Secretary said, "No, we cannot have one; it will take too long, and it will go over the election so the people will not be able to make a judgment". We also had a running motion on the Order Paper on every sitting day between July and October. We made our position quite clear—we wanted an open and comprehensive inquiry.

If I may say so from the outset, I am a great respecter and admirer of Sir John Chilcot, who was permanent secretary in the Northern Ireland Office when I served there. I think he has tremendous ability, but we must not ask him to do the impossible. In some ways, by leaving the remit as vague and open as it is now, we are in danger of doing so.

I want to see an inquiry that, after six years and despite those earlier calls, will finally bring closure to the issue of Iraq. We started to call for an inquiry so early not just because of the fog of war, but because of the fog of the nature of the evidence, which meant that there were disputes, disagreements and controversies about the actual truth. Although I and my party—or most of it—voted for the war, I felt that it was essential for the British people to understand what had happened. One way or the other—whether I was right or those who argued against me were right—the British people had a right to know. That is why it is so important that, on this occasion, we get this inquiry right. If we end up with another inquiry that leaves disagreements, doubts, confusion and upset, we will not have served the British people as I believe that we should.

Philip Davies (Shipley) (Con): Flight-Lieutenant Stead was killed in the Iraq war when his Hercules did not have the proper suppressant foam. His parents, who live in my constituency, wrote to me to say:

> "We would like to express our outrage… that the long awaited Iraq inquiry is to be held in private. To those of us who gave the life of a son or daughter to this conflict this is the biggest insult that he could have afforded both to them and to us. If our sons/daughters were willing to offer up their lives for Queen and country Gordon Brown owes it to them to display all the facts publicly".

Does my right hon. and learned Friend agree that for the people whose family members were killed, it is very important to hold this inquiry in public?

Mr. Ancram: I absolutely agree, except obviously for particular matters where national security might be at stake. On that issue, and with respect to my right hon. Friend the Member for East Hampshire (Mr. Mates), I

hope that it is not left to the witnesses to decide what counts as a matter of national security, but that the committee itself makes that decision. I hope that the committee will apportion blame and I am delighted that the Foreign Secretary has agreed that it should be allowed to do so.

Above all, however, I hope that the inquiry will be able to take evidence that will answer the key questions. There are so many that I cannot rehearse them all, but what was the extent and nature of the intelligence and the advice given to Ministers on which judgments were made before and the during the war? Was the equipment given to our troops during the war—this applies to the question asked of me by my hon. Friend the Member for Shipley (Philip Davies)—sufficient for purpose? Were we doing what we needed to do for our troops or not? Was there ever a reconstruction plan for after the war—one of the great disputed questions? In America, it is said that there was no plan; it was junked. When I asked the then Foreign Secretary about that before the war, he said that there was a reconstruction plan. If there was such a plan, why were we never told about it after the war? If there was no reconstruction plan, why were we assured before the war that there was such a plan?

That is why the matter of evidence on oath is so important. We have already had a number of inquiries, but they have not settled those disputes, questions and uncertainties. None of those inquiries was conducted under oath. Even the Hutton inquiry, which had all the appearance of being a legal inquiry, did not have the power to take evidence under oath. The reason for taking evidence under oath is that if we are to satisfy people that they are hearing the truth, they must know that they are hearing, in terms of the oath, not just the truth, but the whole truth and nothing but the truth. If they do not hear it and if it can be shown that they have not heard it, there is a legal sanction that can be taken against the person who has misled the committee.

If we are not to go down the road of a judicial inquiry, I say to the Foreign Secretary that we need to look very closely at the powers this House needs to give the inquiry that is set up. In my view, we need a short piece of legislation to allow this inquiry to summon witnesses and to apply the oath to them on the understanding that if anyone misleads the inquiry, the full sanctions of the law of perjury can be applied. We must make sure that on this occasion, the inquiry brings this matter to closure. If it does not, we will have missed an enormous opportunity and after so many people have waited for so long for this inquiry, I think they will feel incredibly betrayed.

2.26 pm

Dr. Gavin Strang (Edinburgh, East) (Lab): My right hon. Friend the Foreign Secretary rightly referred to the fatalities of the war, including the hundreds and thousands of Iraqis who have died. We are now debating the British intervention in the war. I shall not rehearse the figures on British deaths, but we need to take into account all the American deaths, too—3,455 of the American armed forces. That figure rises to 4,318 if we include civilians, and to a total of fatalities among the coalition as a whole of 4,632. We know the scale of the military losses and the enormity of the loss of life in Iraq.

I say to my hon. Friend the Member for Walsall, North (Mr. Winnick) that although I recognise the scale of the civil war in Iraq between the Sunni and Shi'a and that issues of terrorism are relevant, the suggestion that those who still believe that it was right to oppose the war are in any way less opposed to terrorism than others is not at all helpful. My hon. Friend should understand that.

Mr. Winnick: If I gave the impression that there are hon. Members who do not condemn terrorism, I am sorry and I apologise, but time and time again, those who opposed the war mention the hundreds of thousands who undoubtedly died, but do not give sufficient emphasis to the fact that those are due to terrorist action, certainly not to the killings carried out by the occupation forces.

Dr. Strang: We also have to remember that it is not just a matter of the deaths, as so many people have been injured and maimed as well.

Clare Short: Many of those who cautioned against the war said that there was a grave danger of the outbreak of chaotic violence. I think that passing off responsibility for bringing that about—and all the deaths that flowed from it—by saying that it is all due to terrorism is not good enough.

Dr. Strang: Yes, I think that there is a consensus there.

The Government amendment makes explicit reference to the families, where it says

"recognises the importance of allowing the families of those who gave their lives in Iraq to express their views about the nature and procedures of the inquiry".

That is fine. Families, and the organisations that represent them, are hugely important. Let us not have any doubt about the scale of the opposition to this intervention among the military. There is no question about that. People working at the Ministry of Defence demonstrated outside this place during our debates at the time. There was huge opposition in all the military services to the decision to send our troops to Iraq. I hope that in the inquiry we do justice to the families and their organisations, including Military Families Against the War.

I have listened to the Opposition Members who have spoken with interest. The Opposition propose that the remit of the inquiry be broadened so that it goes back to 2001, and we welcome that, but I hope that there is not the slightest suggestion that the intervention in Iraq had some logistical follow-on from 9/11. The al-Qaeda presence was virtually non-existent. I say that as someone who had the privilege of serving on the Intelligence and Security Committee when the previous Prime Minister, Tony Blair, asked it to look into that issue, so I will not make too much of it. We know what happened: the US and the whole of the west looked strong after 9/11. It is a hard thing to say, but there was a sort of glow and invading Iraq destroyed all that. It was a huge boost to al-Qaeda and other forces.

That is enough of the substance; I shall return to some of the points raised by the party leaders, who will obviously be important in the inquiry process. We certainly support the involvement of the military assessors. Obviously, all the services are heavily involved and it is important that they are consulted. We should pay tribute to the

[Dr. Strang]

military; all the services fought for their country and anyone who dies for their country—no matter how they die—should be treated with respect and as a hero.

The committee membership is a bit small, however. There are a couple of historians. I have no problems about the inclusion of two historians—I was a scientist, but I recognise how important history is in determining where we are politically. We could even put another historian on the inquiry.

The shadow Foreign Secretary mentioned that the official Opposition had managed to gain an addition to the membership after their dialogue with the Government, and that a woman would be added to the list. Obviously, I support in principle the addition of a woman—a member of the other place. I have no doubt that Baroness Prashar will be a diligent member of the committee, but who does she represent? She is the parliamentarian. Were the official Opposition consulted about the parliamentarian on the inquiry? Was there a deal only in terms of the sex of the person who would represent the British Parliament? Baroness Prashar will certainly not represent the House of Commons, so that issue is of interest. What is the position of parliamentarians in relation to the inquiry?

Mr. Jenkin: Excluded.

Dr. Strang: I asked the question in the context not just of our being Members of the House of Commons but of our role when people go before the inquiry. There have been quite a few losses in Scotland—in Edinburgh and elsewhere—and as the Government rightly acknowledge, families will go to the inquiry. Can they take their Member of Parliament with them? Those are important issues.

The question is not now about private or public. The concession has been agreed; the committee will meet in public and in private. It must always be accepted that in an inquiry of this nature not all the evidence and intelligence material will be put in the public domain. It is only sensible to recognise that. All the briefing and material provided in the run-up to the decision to commit British forces to the invasion was secret. Some more of that material may be made available, but no one can seriously expect that it will all come out.

I do not know Sir John Chilcot, but I am sure he will be an excellent chairman. In fact, like most people, I do not really know any of the members of the inquiry, although we have read about them. The committee seems rather small, although we note the advances that have been made since the initial announcement and they are obviously welcome.

The scope of the inquiry is probably fair. The Foreign Secretary made it clear that the scope has opened up across the board; the committee can pretty well look at what it wants over the whole time scale, which is important—before the invasion is particularly important. I do not want to rehearse everything, but there were a number of key votes in the House of Commons, including two big votes in 2003, in February and March.

There are many important questions. Yes, this is about learning lessons. We all want to learn lessons, but we do not want a rerun of the debates and arguments. That will not help anyone. I am sure that there are people who are still as absolutely committed in their support for the invasion and the occupation, just as there are those equally committed the other way. The process is not about political point scoring. We need a report about which we can say, "Yes, they really went into this thoroughly and made it as available as possible to Parliament and the British people. They made a judgment on the lessons for Parliament, which supported the Government who committed us to go to Iraq."

The inquiry is not about getting Tony Blair to give evidence in public, although presumably that will happen. It is taken as read that Ministers will give evidence, and some of it may be in public and some in private. The issues are important. We have to be clear in our minds that we are setting up an inquiry that really will take things forward constructively.

2.37 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The hon. Member for Cannock Chase (Dr. Wright) put his finger on it when he said that 30 years after Franks it was inconceivable that anyone should have thought that such an inquiry could be held in private. He knew that, I knew that and the whole House knew that, so it prompts the question why the Prime Minister was of a different mind. Given that he had months to determine the announcement he would make, why did he ever conceive that the inquiry would be acceptable if it was heard in private?

Who did the Prime Minister consult beforehand? We know it was not the armed forces—they have made that clear. We know they wanted to give their evidence in public. I do not say this in a partisan way, because ultimately the Prime Minister is a rational person, but one has to conclude that there was only one rational explanation for his hoping to get away with it, and the House must forgive me for saying it: we will be having a general election within the next 11 months. If it was possible for the evidence to be heard in private, the media would have no way of maintaining interest over that period. There would be interest only when the inquiry eventually reported, with the election having gone one way or the other. Now that the inquiry is to be in public, there will be constant opportunities, as witnesses come forward, to report anything of newsworthy interest. As there is no other rational explanation, I can only assume that that is what the Prime Minister had in mind.

In the Prime Minister's statement, he told us that there were national security reasons, but of course we all know that any genuine national security considerations can be heard in private in any event, and will be, under any scenario. We were told that the armed forces would not wish to give their evidence in public, yet a series of generals, air marshals and admirals made it clear that that was not remotely their view.

The Prime Minister then came up with a splendid remark: public inquiries mean "lawyers, lawyers and lawyers". I have to declare that I do not have an interest. Although I have a legal background, I have not practised as a lawyer since 1978, and if I needed a lawyer, I would not instruct me. However, the question of lawyers depends not on whether an inquiry is public or private, but on whether evidence will be given on oath, because that is

the only basis on which anyone would wish to be accompanied by a lawyer. When I gave evidence to the Scott inquiry on so-called arms to Iraq, I did not find it necessary to be represented by a lawyer. The idea that lawyers are necessary if there is a public inquiry is not remotely correct.

As we have heard, the Prime Minister then had to go into reverse, and we have not seen such a retreat since Napoleon's from Moscow—we should remember that that eventually led to his Waterloo. Even in retreat, however, the Prime Minister was very foolish. He started by allowing his spokesman to say that the issue was not theological. He then said that the matter was for the chairman of the committee to decide, but that was not the case. The fundamental question of whether an inquiry should be public or private is for the Government to recommend to the House so that a decision may be reached accordingly, with the chairman of the committee no doubt accepting that view.

We then saw the somewhat sad statement in a letter to Sir John Chilcot, when the Prime Minister was beginning to move ground, that it would perhaps be appropriate for the bereaved to give their evidence in public, if they wished. Perhaps they will but, as we all know, whether the bereaved give their evidence in public is the least important issue. The crucial consideration is whether those who sent the relatives of the bereaved to fight in the war give their evidence in public.

Lynne Jones: If Sir John Chilcot had been uneasy about the Prime Minister's decision that the inquiry should be conducted in private, it must have been possible for him to refuse to chair it, especially as we now hear that he has changed his mind.

Sir Malcolm Rifkind: I am not entirely convinced that Sir John Chilcot has changed his mind. I have no doubt that, as the chair of the inquiry, he had to accept what the democratically elected Government of the day decided.

I turn to the question of composition. I agreed with what the right hon. Member for Edinburgh, East (Dr. Strang) said. I have nothing against Baroness Prashar and I am sure that she is an impressive lady in her field. However, no one with military experience will sit on the committee, although the whole purpose of the inquiry is to examine a war and the provision made for fighting it successfully. Baroness Prashar's biographical details—chairman of the Judicial Appointments Commission, chairman of the Parole Board for England and Wales and director of the National Council for Voluntary Organisations—are no doubt those of an impressive person, but they are not remotely comparable to those of a former Chief of the General Staff or First Sea Lord, or a person with military skills.

All the Government have been able to say, even when they began their retreat, is that assessors will be available to assist the committee. However, we have not heard why, in the Government's view, it is inappropriate for someone with senior, serious military experience to sit on a committee that is examining what happened in the run-up to a war, during that war and in its aftermath. It is disgraceful that the Government have not only failed in that respect, but have not even provided an explanation to the House. Although the Minister for the Armed Forces might not have the authority to do so, I ask him to ensure that the Prime Minister and the Foreign Secretary examine the matter again, because if the inquiry is to carry credibility with the armed forces, which is as important as its credibility with any other sector of the community, it is crucial that they are represented on the committee.

My final point relates to the question of blame. The Prime Minister's original statement was quite clear:

> "The committee will not set out to apportion blame". —[*Official Report*, 15 June 2009; Vol. 494, c. 24.]

His clear intent was that the committee should reach conclusions on the facts and make statements about what happened, but not criticise Ministers, officials or anyone else involved. I welcome the fact that the Foreign Secretary set out today, at the Dispatch Box, that that is no longer the Government's position. The Government know that they could not sustain such an intolerable position. A lot of reference has been made to the Franks committee, but that was not so constrained, because it was for the committee to decide whether to criticise the Government. It concluded that it should not, but that was its decision, not one that had been imposed on it. It is highly desirable that such a situation should apply now. I cannot recall the number of occasions on which Tony Blair said, "I accept full responsibility for the war", which implied a major concession, but then went on to defend everything that he had done. Let us see whether he was entitled to do that. If the committee takes the view that he was not, it would be improper to prevent it from expressing that judgment.

The Government have moved on a number of important issues, but each time they have done so grudgingly and unconvincingly, while giving explanations that do not hold water. As several hon. Members have said, the process has been carried out not through statements to the House, but through the entirely artificial device of letters between the Prime Minister and the chairman of the committee.

I am conscious that many hon. Members wish to speak, so I shall conclude by reminding the House of a statement made by Edmund Burke in 1780:

> "If there is one eminent criterion which above all the rest distinguishes a wise government from an administration weak and improvident, it is this—'Well to know the best time and manner of yielding what it is impossible to keep.'"

The Government, by both their timing and manner, show that they have a lot to learn from the wise remarks of Mr. Burke.

2.46 pm

Mike Gapes (Ilford, South) (Lab/Co-op): When we heard last week's announcement that there would be an inquiry, I had two concerns: first, about the intention that it would be held in private, on which many hon. Members have commented; and, secondly, about its scope. I welcome the Government amendment, which goes a considerable way towards answering the first of my concerns, because it makes it clear that a substantial part of the inquiry will be held in public. I hope that the "relevant parliamentary committees" that there is a commitment to consult will include the Foreign Affairs Committee and the Defence Committee, both of which carried out inquiries in the previous Parliament and made relevant observations that could be taken into consideration.

[Mike Gapes]

I am still worried about the focus and scope of the inquiry, however, and I wish to discuss the eight years that the inquiry is supposed to cover. Why does the period start from 2001? Why will no account be taken of the reason why there was a problem with Saddam's Iraq? The inquiry will have to look at that context, so it is wrong that there is an arbitrary date of 2001. I questioned the Prime Minister about that when he gave his statement. He said that it would be for the inquiry to go back, if it wished to. I make a strong plea that it does so.

I make my plea in the context of important remarks made by the right hon. Member for Richmond, Yorks (Mr. Hague), who said:

"May I express, on behalf of the Opposition, our full support for the action that has been taken by the Government and the United States, while regretting that it has been made necessary by the persistent failure of the Iraqi leader to keep his word or honour international obligations?"

On the same occasion, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) said:

"Does the Prime Minister understand that he enjoys Liberal Democrat support for the action that he has taken in deploying British forces against Saddam Hussein?" [*Official Report*, 17 December 1998; Vol. 322, c. 1102-04.]

Those remarks were made not in 2003, but in 1998, in support of the bombing of Iraq by British forces in December that year, without a United Nations Security Council resolution specifically to authorise it. That action was defended in this House by the late Robin Cook, then Foreign Secretary. That has to be taken into account as part of the context.

We cannot have an inquiry that focuses simply on events from 2001 until 2008 or 2009, and that does not take account of the fact that we were operating a no-fly zone over Iraq and imposed sanctions against Iraq for 12 years. It was alleged that 500,000 children died as a result of those sanctions. The context was a policy of containment. There has to be an assessment of why, when action was taken in 2003, there was support for it in some quarters but opposition in others, including opposition from people who had been quite happy to support the bombing of Iraq without a Security Council resolution in 1998, yet who, in 2003, suddenly found that to be a resigning matter. We need that context because we need to be honest.

I hope that when the committee calls its witnesses, it will call Iraqi Kurds who suffered as a result of chemical weapons being used against them in Halabja. I hope that it will call the democratic Iraqi opposition, and the people—millions of them—who were forced to go into exile by Saddam's regime.

It is not sufficient simply to look at events in the context of the period from 2001 until now. We need to look at the issue in the round and understand why, despite all the difficulties referred to—the tens or hundreds of thousands of people who lost their lives, and the members of the coalition forces who suffered and died as a result of action following the liberation of Iraq from Saddam—today we have a democratic Iraq where the Iraqi people can determine their own future. I hope that the inquiry will consider the issue in the round, and not narrowly focus on certain issues relating to 2002 and 2003.

2.52 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): First, I draw attention to my declarations of interest and apologise to the Government and Opposition Front Benchers for not being able to be here for the opening speeches. I am grateful for your tolerance, Mr. Deputy Speaker, in allowing me to speak in the debate. I was at a meeting with a charitable foundation that could not be changed. My apologies to the House for that.

May I say at the outset that I fully support, and have always supported, the idea of a full, public inquiry? My right hon. and learned Friend the Member for Devizes (Mr. Ancram), who is not in the Chamber right now, pointed out that on two occasions in 2003, we tabled motions calling for, and we voted for, a full inquiry based on the Tribunals of Inquiry (Evidence) Act 1921. A tribunal held under that Act is not allowed to refuse the public, including the press,

"to be present at any of the proceedings of the tribunal unless in the opinion of the tribunal"

and solely in its opinion,

"it is in the public interest"

to do so, for various reasons. My right hon. and learned Friend made that clear at the time. We also had on the Order Paper, in July of that year, a motion calling for just such an open inquiry, so although there is now debate between the Government and my right hon. and hon. Friends on the Front Bench about whether the terms were those of the Franks inquiry, we called for a full, public inquiry. I hope that that is established once and for all, and that we get away from this rather silly game-playing about what one group called for and another group did not.

I speak today as a continuing supporter of what we have done in Iraq. I find that position perhaps a little more lonely these days than it was originally, but it is always best to be honest with oneself and one's colleagues. I remain of the opinion—this does not affect my reasons for why there should be an inquiry—that ultimately, when we look back, we will recognise that what happens now in the middle east will have been dramatically affected for the better by what we did at the time. Of course, that is not to say that everything is therefore forgiven; that is the point of the inquiry.

The British public have, for various reasons, come to lower their belief in and respect for politics. They feel to this day that they were never quite given the truth about what we were doing and why we were in Iraq. The question is not whether we should have gone to war, but how the British public came to understand the reasons why we were in Iraq, and so could give their consent or not. That is the importance of the inquiry. It is time—we should have done it earlier—to clear the way on that, to get at least some closure for all of us, and to start rebuilding politics. We are suffering from the need to do so, as a result of other issues that have been around us in the past few weeks.

As my right hon. and hon. Friends have mentioned time and again, and as my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) said categorically, the Prime Minister in his announcement last week made some very clear statements of limitations to the inquiry. That is the problem. Since then, in the past seven days, we

have seen those statements unwind in front of our eyes. That is an important factor, because the issue is not just about the inquiry. We have a crisis in this Chamber. We have so given away the idea that we Back Benchers, rather than the Front Benchers, should control what is done that we have handed everything over to the Executive, whatever party is in power. I think that we are beyond the point where we can play party politics.

The fact is that we should have sat down and considered the matter properly, and we should have come to the conclusion that in this day and age it is not feasible, as the hon. Member for Cannock Chase (Dr. Wright) said, for us to hide anything away from the public. If we have learned anything at all in the past three to four weeks, we have learned that, now, anything other than openness simply will not wash. The days of deference and respect, and the belief that politicians behind closed doors will always come to the right decision, will no longer wash with the British people. The only way for us to clear the air is to have the inquiry fully in public. The default mechanism of the inquiry should be, "Everything in public, unless," and the "unless" needs to be reasoned.

I am concerned that we are leaving it to somebody who is not elected to make a decision about what the inquiry will do, which is fundamentally wrong. Have we in this House so lost a sense of ourselves that we do not want to put an elected Member of Parliament on a committee of inquiry into a war that we voted for in this Chamber, and for which all of us, myself included, have to answer? Why do we not have a politician, or two politicians, on the inquiry? Why are we so ashamed that we give way to a baroness? Whatever her credentials—my right hon. and learned Friend the Member for Kensington and Chelsea mentioned them—she is not elected. We are elected. We are the ones who have to be accountable to our electorate. Why are we not on the committee? We have nothing to be ashamed of. We should be on the committee because it would give it a cutting edge. I hope that the Government will think again about that. It would be an opportunity to rebuild respect in Parliament if somebody from this place went on that committee and made a statement about the passion that Parliament feels on the issue. That is very important.

Beyond that, I agree with my right hon. and learned Friend and other learned Members who have said that the composition of the committee is simply not good enough. Three issues need to be looked at by the committee. The first is the reasons for the war. The hon. Member for Ilford, South (Mike Gapes), the Chairman of the Foreign Affairs Committee, wants to take the inquiry much further back in time, and there is an argument for that, but I have to say that the number of people whom he wanted to be called might mean that it went on for another 15 years, and I do not think that we want to go down that road. That is a little caveat. The political reasons for the war are critical and need to be looked at. That is why we need politicians on the committee.

The second issue that needs to be considered is the military, its equipment, and whether there were sufficient resources for the task. Without a member of the military, or even someone who was recently in the military, it will be impossible to reach a proper conclusion. Witnesses are not good enough; we need some interpretation on that committee. That is why a military person or ex-military person should be on it.

The last issue is the aftermath and reconstruction. On that issue, we should perhaps draw on people from the Department for International Development and others who were involved. I remember that when I was Leader of the Opposition, we had a debate or two about the plans for the aftermath. The composition of the committee is not good enough. We need to reinforce it from the House and from the military.

My second point is about the oath. We need to take back the power to set up an inquiry that has the power to take evidence under oath. I would be happy to give such evidence—everybody should be. The public now believe that unless something is said under oath, it is not necessarily to be trusted. We must do everything we can to make sure that the inquiry's findings are demonstrably evidence that can be trusted, otherwise there will be more cries that it has not worked.

Before closing, I make the point to my colleagues that in all this, we should default to openness. Without that, we will not have credibility. The issue is as much us and our weakness in this place as it is the inquiry. It demonstrates to us more than ever before that we need to draw back powers to the Chamber, the House and the Back Benches so that once again we stand as the elected representatives of the British people, so that their anger, fear, vexation and concerns can be represented in the Chamber. The terms of an inquiry should not be dictated by an Executive who may have political motives for deciding that it should or should not take place in certain circumstances. I hope the Government will rethink the matter.

Ultimately, we must allow the British people to decide whether the war in Iraq was worth while, whether it should have been undertaken, and whether that was done for the correct reasons. If they can reach a good conclusion on that, respect for politicians will rise and we will have reached a point where we can close the issue and move on. Like justice, politics cannot just be done. It must be seen to be done.

3.1 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): Many art forms thrive as a result of warfare, but none more, as a result of the Iraq war, than the art of sophistry. The ancient art of the sophist took apparently wise and irrefutable statements which, when they are carefully examined in the context in which they are made, turn out to be utterly without reason.

There was no better example of that than the words that fell from the Prime Minister's mouth when he announced the setting up of the committee. He said that the committee was to be set up in order that we should learn the mistakes and benefit from learning the mistakes that were made, and that they should not be made again—apparently wise in itself and, in the context of what the Committee must consider and decide, utterly without meaning.

The central issue for the committee must be whether the House and, through it, the British people were misled and deceived into support for an illegal war. That is the central issue. There are other tangential and peripheral issues that need to be considered. I also would like to know about the aftermath. I would very much like to know about the role of Halliburton and other companies in the so-called reconstruction of Iraq. I would like to know many of the things that have

[Mr. Robert Marshall-Andrews]

perplexed the House as to what has happened since the war, but the central issue for those who were here and voted or did not vote for the war and took that awesome responsibility is whether the House at the time was deliberately misled into an illegal war.

In that essential question two things stand out above all and must be discerned. The first centres on the so-called Downing street memorandum in July 2002, many months before the war began. It is a clear minute, and it shows that our man—Q—who was at the time in Washington, Richard Dearlove, reported to the then Prime Minister in these terms:

"Bush wanted to remove Saddam through military action justified by the conjunction of terrorism and WMD. But the intelligence and facts were being fixed around the policy."

That was the clearest possible statement, which was echoed in the House almost exactly word for word, although he did not know of the minute, by Robin Cook at the time that he made his resignation speech—that what was happening was that the facts were being fixed around policy.

That is the first thing that requires the Prime Minister of the day to go before the committee on oath and without immunity in order to be cross-examined about that, because he came to the House almost immediately afterwards and not a word of that reached the ears of those who were listening to him and were deciding on the issue of war. It is not the only internal memorandum, but it needs to be answered.

The second matter is the legal advice that was given to Cabinet, to the House and to the House of Lords. On 7 March, the Attorney-General produced an opinion that has now, like drawing teeth, been made public. That opinion was hedged with doubt throughout on whether the war was legal. Any lawyer reading it would read both between and on the lines that the Attorney-General had the gravest possible reservations about the legality of war without a United Nations resolution. Seven days later a completely different opinion was given to Cabinet and subsequently was given in the House of Lords.

If the first opinion had been made public at the time, it is highly unlikely, in my view—we have one distinguished member of that Cabinet in the Chamber, and she will be able to tell us herself—that that Cabinet universally would have voted for war in those circumstances. That is the second matter that requires investigation.

Neither of these matters requires phalanxes of lawyers. Neither affects national security in their investigation. Both are absolutely central. They can be dealt with without months of preparation, on oath and in public. There is no lesson to be learned here. The lesson of whether or not to mislead the House is a lesson very quickly learned, and the answer is simple: do not mislead the House when dealing with the intelligence and the background to war. That is what we need to decide—not the lessons for tomorrow, but the facts of the past.

The mistakes that were made have already been visited, of course, by Lord Butler and his committee, but he was constrained. Those who read the Butler report can feel the frustration that comes out of those pages that he was constrained in his brief by looking only at the intelligence, and not at the use that was made of that intelligence in the dossiers and the information that was given to the House. The frustration that his committee obviously felt was manifest in what he said in the House of Lords in an extraordinary departure from normal protocol, when he also said that the inquiry must be held in public in order to deal with the issues.

In a sense, Lord Butler has no one but himself to blame because the Butler report was written in mandarin—a language in which Robin Butler is fluent and of which some of us have a passing knowledge, but it is a foreign language to the fourth estate. So, of course, the Butler report was taken as a vindication for what it most certainly was not—that is, the political reasons and the basis for war.

May I have my three ha'p'orth of where all this sits in the events of the past weeks that have affected the House? One of the problems that lies behind the expenses debate is not that it has thrown up serious matters—it undoubtedly has—which require investigation and answer. It has also been responsible for a wave of matters that are in themselves trivial—bath plugs, paperclips, and the like. What is the reason for that? One reason, undoubtedly, is to portray this House in a Lilliputian light: to trivialise its very existence. That is it. If we allow that to happen, we deserve to be portrayed as a Lilliputian assembly, unable to control our own destiny.

It is we who were misled, many of us believe, in the preparation for the Iraq war. It was this House that was misled.

Mr. Winnick *indicated dissent.*

Mr. Marshall-Andrews: My good and hon. Friend shakes his head when I say that, but let us have an inquiry to find out, and then, at least, something that has passed between he and I will be laid to rest. It is we who were misled, if we were misled, and it is to us that the inquiry must answer and it is to us to set the terms of reference of that committee. The terms of reference are not in themselves a matter of deep jurisprudence, because they are perfectly simple: the inquiry should be open; on oath and without immunity. What is more, those against whom criticism or indictment may be made must be warned of that fact and must be represented—yes—when they give evidence before the committee.

None of that is difficult to understand; it was all enshrined in the committees that were set up under Lord Salmon and the Tribunals of Inquiry (Evidence) Act 1921, which, as my hon. Friend the Member for Cannock Chase (Dr. Wright) pointed out, was the point at which we divested ourselves of such authority. Now, we must retain it and we must regain it. That is one reason why, if the House divides, I shall be on the Opposition side, not because I wish to vote with the Tories, but because I wish to vote for—for—an inquiry in the terms that we require it.

3.11 pm

Sir Menzies Campbell (North-East Fife) (LD): Not for the first time, I find myself in complete agreement with the hon. and learned Member for Medway (Mr. Marshall-Andrews). I believe that the decision to join the United States in an illegal war against Iraq was based upon a flawed premise and has done catastrophic

damage to British interests. That may well disqualify me from membership of a committee of investigation, but it most certainly does not prevent me from passing judgment on the form of that committee and its composition.

The Government have been partially saved from themselves by Sir John Chilcot, by General Sir Mike Jackson and by the many people who have publicly said that they accepted and, indeed, wished that proceedings in which they might feature should be in public. This evening, Parliament can save the Government further by passing the motion that stands in the name of the Leader of the Opposition, because the responsibility for the establishment of the inquiry should rest with this House. Anything else is a dereliction of our duty.

There are no precise terms of reference. That issue has been somehow brushed aside. How will we test the committee's success unless we test its conclusions against the terms of reference? There are no members with military experience. Who understands the pressures of command when sending 40,000 young men and women into the middle east—with the prospect at least of casualties—at the same time as following the established principle that one takes one's instructions from one's political masters? No one does, other than someone who has had to discharge those responsibilities.

Who understands the political responsibility other than someone who has been associated with a decision to deploy British forces in circumstances where they may lose their lives or be injured? Assessors are no substitute for this reason: assessors advise; they do not decide or take upon themselves the responsibility for the decisions that are made. Parliament tonight should assert itself; it should assert itself to own the process; and it should set the conditions for the inquiry. They should include, in order to put aside any questions of uncertainty, a specific power to compel witnesses to attend and to put them on oath.

There is now no dispute but that the most sensitive material touching on intelligence cannot be heard in public. However, we should have a presumption that everything will be heard in public unless the national interest demands it. Government embarrassment and national interest are not synonymous with each other; they are wholly separate and distinct.

I shall set out some questions that I hope the inquiry will address. What was the then Prime Minister's motive in establishing a policy of standing steadfastly by the Bush Administration? Did the Cabinet agree with that policy? Did the Cabinet ever discuss that policy? Is it the case that by July 2002 at a meeting in Downing street, the minutes of which have been leaked, as it happens to *The Daily Telegraph*, Mr. Blair was committed to military action along with the United States? Is it the case that by that meeting Mr. Blair was committed to regime change?

When did the Cabinet first discuss military action? When did the Cabinet first discuss regime change? And on how many occasions thereafter did it discuss either or both implications of Government policy? Why did the Cabinet not see the Attorney-General's full opinion of 7 March 2003, before military action commenced? Who took the decision that the Cabinet should see only the one-page answer to a question no doubt placed by arrangement in the other place? Why did the Chief of the Defence Staff insist on specific legal advice on the legality of what he was being asked to do? Was the Cabinet advised that the intelligence assessment was that war against Iraq would increase the likelihood of terrorist attacks in the United Kingdom? If not, why not? Was the Cabinet informed that the 45-minute claim related only to battlefield nuclear weapons?

What do those questions have in common? None raises an issue of intelligence sensitivity. They can all be asked and they can all be answered in public, and they should be so.

3.17 pm

Paul Flynn (Newport, West) (Lab): The main reason for my vote tonight will be based on whether Parliament is going to assert itself in this matter. I was very struck by the speech by the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), the former Leader of the Opposition, on that point, but I disagreed with the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), who said that it is a matter for the Government to decide. It is not; it is for Parliament to decide. We have allowed our powers to be usurped by successive Governments.

As a Government Member, I feel embarrassed by the bungled way in which the inquiry has been launched; I cannot think of a worse way in which to handle a matter of such sensitivity and importance. The last time that I spoke in a debate about Iraq, I took up my 10 minutes to recite the names of the 179 people who have fallen, and they are the main reason why we need this inquiry and why their loved ones are crying out for closure. There are, in the main, two groups: those who believe that their relatives died in a noble cause and possibly resent the idea of it all being churned up again; and a great group—possibly a majority—who are tormented by the idea that their loved ones died in vain, and that there was no reason for us to be involved in that war.

The Public Administration Committee had those people in mind when we put up the idea, which I wish the Government would consider, of a two-tier inquiry. Yes, we could look at all the historical issues, as my hon. Friend the Member for Ilford, South (Mike Gapes), the Chairman of the Select Committee on Foreign Affairs suggested, but that inquiry, like the Saville inquiry, would go on for many years. It is not our job to do the work of the historians of the future; our job is to answer the question of whether we, in this House, were deceived when we took our decision in March 2003. It was an extraordinary decision, perhaps the most important of our political lives. For the first time ever, Parliament was deciding on whether we went to war. Every one of us who was a Member at the time takes the responsibility for that decision and its consequences, which included the deaths of hundreds of thousands of Iraqis.

Our responsibility was not about whether the war would have taken place anyway; we know about the feeling in America, which was deluded by the neo-cons, the religious zealots and the project for a new American century. There was an idea that the country would rule the world for the foreseeable future and have a series of multiple wars, which were described in the document outlining that project. There was talk of the American army being the new cavalry, of boundaries that stretched to the great wall of China. It all seems such a fantasy

[Paul Flynn]

now, but the Iraq war was planned on that deluded basis, and not in 2003—the intention was there long before that. Sadly, our supine Prime Minister went along with it, and—

Mr. Heath: On a point of order, Mr. Deputy Speaker. I am very sorry to interrupt the hon. Gentleman in the course of his speech, but it seems extraordinary that not a single departmental Minister is here during a debate of such consequence.

Mr. Deputy Speaker: As I am sure the hon. Gentleman realises, the Chair cannot comment on that matter. There is a representative on the Treasury Bench. The House will have heard the hon. Gentleman's point.

Paul Flynn: We all remember well the day of the vote itself. To their great credit, six Conservative Members voted against their three-line Whip; on the Labour side, 139 Members voted against a very tough three-line Whip. However, as has been recorded in a book by Philip Cowley, 80 other Members had already signed early-day motions or other motions against the war, but they were bullied, bamboozled and bribed into voting the other way or abstaining. If they had been told the truth on the 45-minute threat and the deceptions in the two dossiers, they almost certainly would not have voted with the Government. Many of them bitterly regret their votes now.

Those Members, and Parliament, deserve the truth. We can get at the truth if the inquiry is divided into two tiers. The other, long inquiry into what happened for years before and years afterwards can go on. We should also have an inquiry that focuses not on whether the war was going to take place—it was going to happen anyway—but on why Britain was a collaborator in Bush's war. Why were we involved?

To his great credit, Harold Wilson kept us out of the Vietnam war. We should have used our opportunity and voted for non-involvement in the Iraq war; if we had, those 179 brave British soldiers would not have lost their lives. The Public Administration Committee believes that the crucial issue of why we were involved should be considered first. Such an inquiry could be conducted in a matter of a few months. As we on the Committee put it:

"We recommend that consideration be given to splitting the inquiry into two stages: the first stage to concentrate on the British decision to go to war; and the second stage to consider the broader lessons from the conflict and its aftermath."

The other point, made by my hon. Friend the Member for Cannock Chase (Dr. Wright) this afternoon and not answered by a Front Bencher, is whether the issue ends today. Will a vote for the Government amendment be interpreted as approval by Labour Members of the idea that the matter is over? Will it mean that we do not have to look at the decisions taken on the shape of the inquiry and that we abandon our rights as parliamentarians to decide on how the inquiry should go forward?

I accept what Government Front Benchers have said about the element of bandwagonism on the part of the official Opposition. They are trying to score political points, and I am reluctant to vote with them for that reason. I think, however, that I will do so because otherwise I would have to give full approval for how the Government introduced the idea of the inquiry and for how they are mishandling the issue now by trying to put Labour Members into an armlock and make them agree to something to which we do not agree. We want another look at the issue. We want a substantive motion before the House, another debate and a chance to decide; as the right hon. Member for Chingford and Woodford Green said, we decide on so little.

The two worst decisions that this country has made in my lifetime have been to do with the Suez crisis and the war in Iraq. However, we made an awful mistake—without there having been a Division on the matter—in deciding to send troops in a surge into Helmand province. We had a debate on the subject, but in Westminster Hall. At the time, only seven soldiers had been killed in Afghanistan. As a result of the surge, there was also a surge in casualties; now not seven but 169 soldiers have died, and the number is increasing every week as part of a war that is going nowhere.

During the brief debate, the futility of the decision to go into Helmand province was compared to that of the charge of the Light Brigade. Now more soldiers have died in Helmand than died in the charge of the Light Brigade. Surely we need to debate that issue as parliamentarians. Surely we need to say that, in respect of future and current conflicts, Parliament should assert itself. We should cry out, "For goodness' sake, can you justify this war? Can you justify a future conflict, possibly led by America, against Iran or wherever else?" Obama is now President of the United States, so there is hope that good things will come. The man is an intellectual, far removed from his predecessor. I believe that he has great ideals and a clear vision of world events. It is hoped that the rest of the western world will follow in the slipstream of the path that he is taking.

This week, we parliamentarians have heard a lot about the weakness of our position. The decision that we took in March 2003 haunts many Members here now. We will make decisions in the future, but we have to make them in a way that reflects the views of our constituents. There is talk of this inquiry being similar to the Franks inquiry. Despite the problems of the Belgrano, that inquiry was into a war that generally united the nation; the nation was generally behind the Falklands war. The Iraq war, however, bitterly divided the nation, probably as no war has in our history—no previous war brought out 2 million people on to the streets.

We saw a deluded Government, led by people who almost certainly had done a deal with the American President to go ahead with the war. As has been said, they decided to fit the facts around the policy. That was the position that we were in. We have only to look at the two dossiers to read the exaggerations, lies and mistakes. As a Parliament, we were fooled by those dossiers and the Front-Bench speeches. The issue must be fully investigated and illuminated, and that must happen rapidly.

3.28 pm

Mr. Michael Mates (East Hampshire) (Con): I am not going to follow the line of public versus private, oath versus no oath. Those foxes have been comprehensively shot by the strength of opinion that has been expressed on both sides of the House. I am perfectly certain that if the Government wish to survive, they will have to listen to what has been said and do something about it.

I have had the privilege of being part of two inquiries into Iraq, first the Intelligence and Security Committee's inquiry and then the Butler inquiry. Both were constrained by the fact that it was our business to examine the use, gathering and consequences of the intelligence that we got, rather than the bigger picture. However, as I shall explain, we were shown very much more than was covered by those narrow parameters. The hon. and learned Member for Medway (Mr. Marshall-Andrews) is absolutely right that there was a lot of frustration about what we had seen but were unable to report on because of the terms of reference that we had been set. That reinforces the point about terms of reference needing to be properly set by the House so that Sir John Chilcot, whom I wish well and with whom I worked on the Butler review and before that in Northern Ireland, is not in any way hamstrung by not being given adequate and full instructions and conditions under which he can do his job properly.

I turn first to the military aspect of all this, which is probably the least complex, although obviously it is very important. The operation itself was largely successful. There will be lessons to be learned, and they can all come out. For instance, issues relating to logistics, the lack of the right equipment and equipment not arriving on time must all be thrashed out.

Perhaps most important and controversial of all is the reconstruction phase. I remember my noble Friend Field Marshal the Lord Inge chuntering away beside me, as we were going through the motions in the Butler review, about how there had been no plan for what we did when we had beaten the Iraqis and won the war, as was obviously going to happen.

Clare Short: The military keep implying that it was the fault of the humanitarian agencies that there was no reconstruction, but if the military occupy a country, they have to prevent disorder from breaking out. That is a military task, and I underline that their trying to pass the buck as though disorder were the fault of the UN or the Department for International Development really is not good enough.

Mr. Mates: That is not what I was saying. I was saying that there was not a comprehensive plan as to how to handle Iraq once the war was over. That was largely in the hands of the United States, which was taking the lead in all this, and I know that some of our Ministers tried manfully to get the US to focus on the matter. All of that needs to be examined in the Chilcot inquiry. Our inquiry saw quite a lot about that peripherally, but it was not actually our business.

That brings me to the point that others have forcefully made. Why is there not somebody with military expertise as a member of the inquiry? It is not good enough that there are advisers, assessors or whatever we like to call them. We had an army of them behind our inquiry, but it is no good having a senior retired military commander giving advice if he cannot put pertinent questions from his own area of expertise the moment the subject comes up. That gap in the composition of the committee ought to be filled.

I am pushed for time, because I have much to say, so I shall move on to the legal aspect. The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) asked a number of questions. I know most of the answers, because we were shown all the evidence. We had to go into the legal aspects of the matter from an intelligence point of view, and we reported on that. However, we were constrained from reporting on them other than from that point of view. I remember that when we asked the Attorney-General a specific question, he said, "Well, there was no intelligence aspect to that question, so I do not have to answer it." Sir John must have a broad canvas to work on.

I have seen advice from the Attorney-General that I do not believe the right hon. Member for Birmingham, Ladywood (Clare Short) has seen, because it was not shown to the Cabinet. Some of it was leaked, and all of it was given to us, but we were constrained from reporting on it. That was not for reasons of national security but because if we had tried to, someone would have said that it was none of our business. That needs to be put right so that the Chilcot inquiry can examine all the matters that I have mentioned.

Regime change loomed large in the arguments about the legality of the war, as did resolution 1441. Papers laying everything out have flown between very senior Government representatives and Ministers, which will make certain people's eyes water when they see them. Our inquiry saw all those things, and the Chilcot committee must see them and be able to report on them. Five or six years on, it is not a question of national security any more. It is about what advice was given to Ministers and what their reaction to it was—did they accept it, or did they ignore it?

One issue to consider is the resignation of a legal adviser to the Foreign Office, who was not content with the Attorney-General's advice. That is in the public domain, but the reasons behind it are not. That may explain why the FCO was largely excluded from the latter stages of the discussions and the decision taking, most notably when Tony Blair, the Prime Minister, met President Bush in Washington with his coterie of No. 10 advisers and Sir Christopher Meyer, our ambassador there, was excluded from the meeting. If it is not the job of Her Majesty's ambassador to be there to report from the American perspective, I do not know what is, but he was not permitted to go to that meeting. I shall not repeat myself, but we have seen the accounts of that meeting, whereas others who should have seen them have not. Sir John must be able to bring all that out.

Why is there no one with some legal expertise on the committee? We need that sort of expertise among its members, so it seems strange it is missing from those people who have been chosen, although, like others, I am in no way criticising them.

My last point is about the intelligence, political and machinery of government aspects that led to the way in which the decisions were taken, which we were able to report on more substantially. In fact, our comments on that were perhaps some of our most trenchant. Perhaps the hon. and learned Member for Medway did not get the bit in mandarin, because we were highly critical of the style of government that had led to no notes being taken and no record being made.

Mr. Marshall-Andrews: The passage to which I think the right hon. Gentleman is referring is exactly the mandarin passage that I had in mind, when Lord Butler said that, taking everything together, the committee was "surprised" that none of the intelligence being placed

[Mr. Marshall-Andrews]

before the Government was reflected in the statements being made. The word "surprised" in mandarin does not mean: "Good Lord! Is that the time?" It means: "It is absolutely inconceivable that anything like this could happen."

Mr. Mates: I will leave the interpreter of mandarin to draw his own conclusions.

The whole UK-US relationship must obviously be examined too. There are reams of papers that explain and reveal how the two were interacting in that relationship and how that led to certain decisions being taken that, if they had been presented differently, might have been taken differently. There were crucial reports of the key moments in the decision-making process. First, there was the meeting between the Prime Minister and the President in Texas, at President Bush's ranch in Crawford. Then there was the meeting between the Prime Minister and the President in Washington from which Sir Christopher Meyer was excluded. Then there is a series of documents written by Sir David Manning, the Prime Minister's adviser on overseas and foreign policy. Those documents are crucial to understanding the way in which all the decisions were made. The press have speculated about them—sometimes correctly, sometimes incorrectly—and some have been leaked. Having seen them all, I know how crucial those documents are for the Chilcot inquiry to be able to do its job properly.

Last of all, if ever there was a war in which politics—that is, in the decision to go to war, not the war itself—played such a major part, it was this one, given the political decisions taken here and in the United States. As I speak these words, I can hear colleagues saying, "He would say this, wouldn't he?" Why are there no politicians on the committee? That point was made very well by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) and the hon. and learned Member for Medway, as well as by others, from all round the House. The reason the Prime Minister gave us was this:

"the membership of the committee will consist entirely of non-partisan public figures acknowledged to be experts and leaders...There will be no representatives of political parties from either side of this House."—[*Official Report*, 15 June 2009; Vol. 494, c. 24.]

David Davis (Haltemprice and Howden) (Con): I commend my right hon. Friend for making an astonishingly informative speech. To reinforce his comment about politicians being involved, everything that he has described is mirrored in similar failures—constitutional, structural, governmental and decision-making failures—in the United States. They have come out recently because of the torture issue and how legality was bypassed, so it is doubly important that politicians should be involved.

Mr. Mates: I am grateful to my right hon. Friend. Let me finish by saying that it is rather an insult to us as professional politicians to be told by a Prime Minister that we would be partisan if we took part in such an inquiry. I had the pleasure of chairing the Select Committee on Defence for six years—I was a member of it for 12 years—and I chaired the Northern Ireland Committee for four years. I have also sat on the Security and Intelligence Committee for 15 years. Never, in any of those Committee deliberations, has party politics played a part, other than as a joke at the periphery. There was never a vote taken in any Committee that I chaired; had there been a vote taken, I would have considered that I had failed in my job.

We are perfectly able to serve in a non-partisan way. More importantly, we are able to bring our political expertise to a committee that, however good and worthy it might be, does not have such expertise. Nor does it have military or legal expertise. Simply to say that it will be able to get the necessary advice from the second row of the stalls is not good enough. The question of its membership must be revisited.

3.40 pm

Mr. David Winnick (Walsall, North) (Lab): If one consensus has emerged, it is that the inquiry should be far more public than private. If the right hon. Member for East Hampshire (Mr. Mates) is not on the committee, there is no reason why he should not give evidence to it. It is quite likely that he will wish to do so. The Government have been criticised for giving an impression—more than an impression—last week that the inquiry should be held in private, and they were wrong. Surely it is all to the good that they have now shifted their position. They stated something that Members on both sides of the House considered unacceptable, but they then moved. That is hardly a matter for criticism.

Last week at business questions, I said that a committee whose remit was to look into the most controversial war that we have engaged in since 1945 should obviously not sit in private. I am sure that many Labour Members said the same thing more privately. I want to see the committee sitting far more in public, and only in exceptional circumstances should evidence be given privately. Those circumstances would have to involve security grounds.

I would like to see a widening of the membership of the committee. I doubt that that will happen, however; I am not sure whether we can move the Government in that direction. I am not necessarily calling for Members of Parliament to sit on the committee, but it should nevertheless have a broader membership than is proposed at the moment. I also accept the obvious statement that there should be public trust in the committee. The many people who have lost family members—sons and daughters, for example—in warfare in Iraq should be able to feel reassured that the committee will try to get as close to the truth as possible in asking why we went to war and what all the consequences were. Some of the families blame the Government for the loss of their loved ones. Others, however, have said publicly that they are proud of what their close relatives have done, and that, too, should be borne in mind.

Having listened to today's debate from the beginning, I have not heard any differences in opinion from those that were being expressed six years ago. There do not seem to have been any changes of mind. The critics at the time have put forward their point of view once again, and those of us who took a different position and supported the Government are to a large extent reiterating what we said then.

The right hon. and learned Member for Devizes (Mr. Ancram) said that he hoped that the inquiry would lead to closure. I have to say that the possibility of closure on this issue in our lifetime—not only in my lifetime, but in that of those who are rather younger—is

rather remote. I said earlier that this was the most controversial war decision in 64 years, and I find it difficult to believe that the committee of inquiry will be able to change anyone's mind, no matter how fair-minded, thorough and exhaustive it might be. Those who were in favour of what occurred will remain so and the critics will remain of their opinion.

For example, when listening to my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) and my hon. Friend the Member for Newport, West (Paul Flynn) or to those who feel as strongly as they do that the decision was wrong, it is difficult to think that they will change their mind if the committee reaches the view that, in all the circumstances, it was right for the Government to do as they did six years ago. It is a possibility, but it is very remote.

Mr. Mohammad Sarwar (Glasgow, Central) (Lab): Is my hon. Friend willing to concede that there are Members in the House who would accept that if the information available to them now had been available to them at that time, they would not have voted for the war?

Mr. Winnick: Yes, I accept that some have changed their mind, but having listened to today's debate I believe I am right in saying that my hon. Friend is the first Member to say that he has changed his mind about the decision and the vote he made six years ago. No one else has done so. Members have not crowded on to these Benches to say that they regret one way or another the way that they voted. They, like me, obviously took a decision at the time based on what they believed was right.

I will not blame my vote in 2003 on the former Prime Minister. I will not say, "Well, he misled us and didn't give us all the facts—it's all his fault. If only he had spoken differently, I would have voted differently." That is not grown-up politics. We are Members of Parliament. We can make up our own mind. If we believed the Prime Minister of the day was giving us information that seemed to be wrong, we should have voted accordingly.

I asked the right hon. Member for Richmond, Yorks (Mr. Hague) whether he stood by his vote because I wanted to find out whether he had changed his mind about how he voted. Very honestly, as one would expect of him, he said that he stood by his vote, as I stand by mine. It was a very frank answer.

Mr. MacNeil: I fail to see the relevance of the argument of the vote. Quite a number of us were not Members of the House in 2003 and came in only in 2005. We were part of the millions outside who were against the war. Does it really matter how people voted six years ago? What matters is the business before the House and the inquiry.

Mr. Winnick: I have already said that I recognise the necessity for an inquiry that should be far more public than private. If the hon. Gentleman had been a Member of the House, there is no doubt, as he has just suggested, that he would have voted against. However, few Members have changed their mind and the vote is important—he is wrong—because, as the critics would say, it was the vote in the House of Commons that legitimised our military intervention. That vote was crucial.

The background to the vote in 2003 was the Saddam regime's refusal to give the impression that it was complying with the United Nations Security Council resolution on the destruction of weapons of mass destruction. In my view, that is very relevant: if the chief weapons inspector, Dr. Blix, had issued a report stating clearly that he and his team were satisfied that the weapons of mass destruction had been destroyed, there would have been no basis for going to war. Yes, he wanted more time, and I am not suggesting for a moment that he wanted military intervention then, but I am saying that, at the time, such a report was not forthcoming.

Saddam had a history of playing cat and mouse with the weapons inspectors. We know that the weapons of mass destruction had been destroyed, but he had used them before the invasion of Kuwait. Let me say this about Kuwait: some Members—not those on the Conservative Benches, but some of my hon. and right hon. Friends—who were so much against the vote to go to war in 2003 were equally opposed to the liberation of Kuwait. Although it had been authorised by the United Nations Security Council, and although Saddam had committed an act of blatant aggression, they opposed the military action taken in 1991. I took a very different position. Some would say that it was unfortunate that the whole of Iraq was not liberated at the time, but most of us understood the reasons why it was not.

The accusation about regime change suggests that any reference to it must be derogatory. However, there are those who recognise, as I did, that Saddam ruled over a terrorist regime—a totalitarian dictatorship, brutal and murderous—and that sanctions were not working, but were undoubtedly inflicting great damage on numerous people in Iraq. That is what the critics said at the time. Not only were they against military intervention; they were against sanctions, which they said should be dropped. I had to concede that sanctions were causing great hardship. The question that arises for us is how such a regime can be changed. I entirely accept that there was no authorisation and no legitimacy for regime change unless there was justification in the form of weapons of mass destruction.

Mr. Mates: I was not trying to argue either for or against regime change. What I was saying, and what I think the Chilcot committee needs to consider, is that it is illegal in international law. That is a fact. The question is, was it driving the policy, or was the policy driven by something else?

Mr. Winnick: I do not deny that regime change is illegal. However, in 1979 both Cambodia and Tanzania were liberated from the outright tyranny of the Pol Pot regime and Amin. That was regime change, and I do not recall any Member condemning it 30 years ago. What happened in Kosovo was a form of regime change, and was outside the authority of the Security Council. My hon. and learned Friend the Member for Medway, who is not in the Chamber now, was strongly opposed to it, but I was in favour. I urged that action be taken against Milosevic and ethnic cleansing in Kosovo, and I would hardly start apologising for that now. There is a problem over regime change, and how we can help people who are suffering under tyranny and murderous oppression.

As I said at the beginning of my speech, I doubt that the inquiry will change anyone's mind, but it is crucial for it to undertake the work that it has been given.

3.53 pm

Clare Short (Birmingham, Ladywood) (Ind Lab): In the short time that is available—let me put on record that I still resent the guillotining of everything, and believe that it is one of the reasons for the diminution of the authority of the House of Commons—I want to focus on why we need an inquiry. I shall argue that the reasons are so profound that the inquiry must take place in public, the inquiry team must be strengthened—as has been argued, it should contain military and legal representatives, as well as a senior politician—and witnesses must give evidence under oath.

Some have commented that we do not need an inquiry because the books have been written, the documents have been leaked, America has changed its policy, and there is therefore nothing new to be said. I agree that those who have read the books and scrutinised the leaked documents already know the truth. Nevertheless, it would be deeply shameful if the House of Commons never required an official inquiry, with the aim of putting on record the truth of why we went to war and reflecting on what that says about, first, the unreliability of the British system of government and, secondly, the obsessive focus on staying close to the United States of America, which dominates the foreign policy thinking of both new Labour and the official Opposition. Even the Liberal Democrats, despite their honourable record on the war, are not entirely free of it. That is the explanation of the error, and if we do not attend to those matters, similar errors will be made in future.

I believe that because of the "nodding donkey" approach to American foreign policy right or wrong, the United Kingdom's contribution to resolving some of the complex and fearsome problems of the coming decades will be extremely limited, and I think that that humiliates us. This is an enormously profound and serious question. As I believe the inquiry will show, if we went to Iraq because we wanted to please President Bush—or because Tony Blair wanted to please him—there is a danger that that error will be repeated. Happily, America, after a big semi-revolution, has changed its President and completely changed its policy, and Britain follows along with the new President. I prefer the new President, of course, but we did not even have a debate or discussion about whether we should change our policy. How humiliating is that?

Mr. Ellwood: I made an intervention earlier in which I stressed the importance of the relationship between the Ministry of Defence and the Department for International Development and mentioned that the British forces were concerned that there might be no plan involving DFID. Can the right hon. Lady confirm that in March 2003, when she was responsible for that Department, she sent a diktat out to all the directors in the Department advising them not to get involved and not to participate in the planning, because she thought the war might be illegal?

Clare Short: I cannot confirm that date, but I can confirm that when I heard the rumour—but did not see the legal document—that the Attorney-General doubted the legality of the war, I warned my staff of the consequences of that, which I think was entirely proper. That is part of the shame of it all, but I shall come on to the preparations. There were preparations that were then all junked, because of the hubris and deceit that went into preparing for war.

I believe that a proper examination of the untruths, the constitutional manipulation and the outcome must lead to a re-examination of the UK's role in the world. That is a very important consequence of the inquiry that needs to flow to the House of Commons. I do not advocate hostility to the United States, of course. Indeed, I think that if we had spoken truthfully to the United States at the time, we would have been a better friend. I yearn, however, for an honest appraisal of the dangers the world and the UK face and an intelligent discussion of the contribution we could make, working with others, to the establishment of a more equitable and just world order, capable of dealing with the disorder that will come to us because of climate change. It is also my view that if we do not do better in bringing justice to the middle east, the capacity of the international system to co-operate to deal with these challenges will be broken and weakened, with desperately serious consequences for all of us.

We need an inquiry that forces all parties and the public to face up to the fact that we got involved in Iraq because George Bush and the neo-conservatives wanted to overthrow the unpopular regime of Saddam Hussein—regime change—and establish a friendly power in Iraq, so that they could relocate American bases in the middle east, dominate the Gulf and have close relations with a country that contained a large proportion of the world's remaining oil. As has been said, all of that is laid out for all to read in the documents published by the Project for the New American Century, which many of those who became senior figures in the Bush Administration had signed up to.

Of course, the US expected the invasion of Iraq to be popular with Iraqis and therefore thought that it would help to stabilise the middle east. The only problem was that international law, laid down after the second world war under the leadership of President Roosevelt and with the support of Prime Minister Churchill, did not permit that, and thus the lying became necessary in order to do what the neo-conservatives thought to be right.

I did not know that Tony Blair had the published documents of the Project for the New American Century drawn to his attention—they were certainly not drawn to the attention of the Cabinet—but I think that he was desperate to be close to George Bush and worried that he would not be because of the closeness of his relationship with President Clinton, and that he therefore gave his word early on that Britain would be with him in the planned invasion of Iraq. From that, it all flows: the exaggeration of the threat from weapons of mass destruction to give an excuse for war, because regime change is not legal.

The Butler report and the various leaks from our intelligence agencies have shown that the intelligence was being fixed around the policy. Hans Blix started out believing that there were WMD in Iraq, but when he found and reported that there were not—he reported to the Security Council what he had found, and also achieved the dismantling of large numbers of ballistic missiles—he was briefed against and smeared because his truthful findings were obstructing the excuse for war.

In the matter of international law, the neo-conservatives had no concern. They repeatedly made clear their profound disrespect for the United Nations and the constraints of

international law. They wanted to keep the UK with them because the majority of US citizens said yes to war in coalition, but not alone. The UK had to pretend to respect international law, and that led to the game that was played at the United Nations. We should all remember that the UK ambassador to the UN, Sir Jeremy Greenstock, whom I like and admire enormously, gave a shameful undertaking on behalf of the UK when the first resolution was passed that there was no automaticity—no authority for war—without another resolution. However, the UK went on to argue later that the first resolution gave authority for war. That was deeply shameful.

I remain deeply shaken by the way in which the interpretation of international law was manipulated to fit the policy. The first legal opinion, which was leaked and is now a matter of public record, was kept from the Cabinet. That was a complete breath of the ministerial code, but who enforces the code? It is the Prime Minister. The second legal opinion was concocted at the last minute by an Attorney-General who was a crony of the Prime Minister, put into the Lords by the Prime Minister and made Attorney-General by the Prime Minister.

Mr. Mates: I am not following the right hon. Lady in her criticisms, but if memory serves me correctly, there were 44 meetings of the Cabinet between September and when we went to war. The Attorney-General attended only two of them. Did the right hon. Lady, who was there, find it strange that in that legal morass, the Government's legal adviser was never there?

Clare Short: All the Cabinet meetings were little chats: they were never a proper consideration of all the options. That is terrifying, but true, and it means that our political institutions are unreliable and incapable of making proper, considered decisions.

When the Attorney-General came to Cabinet—I remember him coming only once, right at the end—I was stunned by the opinion that he brought to the Cabinet, but I accepted that in such a matter, the Attorney-General would not bring a concocted opinion. I now know that he did, and I conclude that the arrangements that we have for ensuring UK compliance with international law are unsafe. The way in which the Attorney-General is appointed is unsafe, and our constitutional arrangements need restructuring. That is one of the important issues to which the inquiry must attend.

It is often argued that the invasion of Iraq went well and was welcomed by all, but then went wrong, and that what went wrong, as the hon. Member for Bournemouth, East (Mr. Ellwood), who was previously in the armed forces, suggested, was that no proper arrangements were made for post-conflict Iraq. Indeed, it is sometimes suggested that because of my doubts about the war, I prevented such preparations from being made in the Department for International Development, although how I could be responsible for US policy I am not sure. That claim is completely untrue, as a proper scrutiny of the historical record will demonstrate.

Careful and detailed preparations—volumes of them—were made in the US State Department. Louise Frechette, the deputy secretary-general of the UN, also made detailed preparations to bring together the international effort that would be required to rebuild Iraq. My old Department made preparations, liaising carefully with the State Department, the UN and other international actors. Then, just a couple of months before the planned invasion, President Bush passed responsibility for post-war reconstruction to the Pentagon and set up the new agency, the Office of Reconstruction and Humanitarian Assistance—ORHA. All the State Department preparations were junked. There was no liaison with the UN or with the international community.

At the time, Andrew Natsios, then head of the US Agency for International Development, said that the danger in post-war Iraq would be chaos, and if we sacked everyone in the Ba'ath party, no institutions would function. He said that it was crucial that only the top people went and everyone else was left in place. That advice was wiped away and we got exactly what he predicted. That was incredible. In the run-up to the war, I thought, "This cannot happen in a nation like the US—they have Harvard, Yale and Princeton-educated people. We cannot make such an error." But the hubris was such that it was believed that the invasion would be welcomed and that there was no need for international co-operation. Because of the deceit that went into the purpose of the war, we got the chaos of the aftermath.

These are serious matters, but they are the true record of what happened, and the inquiry must bring them out. Britain must decide what sort of country it wants to be. Do we want to adhere to international law, or do we want to junk it? Israel is junking international law in the occupied territories. Do we want a future in which international law no longer has any authority? It would lead to chaos and instability.

Mr. Duncan Smith: I am grateful to the right hon. Lady—I do not think that she will lose any time by taking this intervention. On one of the big questions about the row between the State Department and the Pentagon and what was going on at the White House, was she aware at any stage that the Government made strong overtures about what was going on explicitly to require that a different system be put in place after the war in Iraq? I could never quite understand what our influence—or lack of it—was in the whole process. We had a vested interest in getting it right, but somehow seemed not to have any view on it. I am not saying that the right hon. Lady did not, but that officially the Government seemed to have no view on that point at that time.

Clare Short: The answer is that because this was being driven—I am running out of time—by the Prime Minister on the phone to the White House, British systems were breaking down. One part of the Government was giving that advice, and another was not.

My final point is that because of the deceit, proper consideration was not given to all the policy options. There were other ways of bringing down Saddam Hussein. We could have got rid of the sanctions, or indicted him like we did Milosevic and let the Iraqi people help to do it. None of the other options were considered. This is a disgrace to our history and it shows that our institutions do not work. We need an inquiry that will lay out everything from which we can learn the lessons about decision making and our role in the world, so that we never ever again engage in such actions, which have left terrible destabilising effects on the wider middle east.

4.6 pm

Mr. Gordon Prentice (Pendle) (Lab): I remember being here on 15 June, when the Prime Minister made his statement on Iraq. I felt angry and upset, and I told him and colleagues that a secret inquiry was not acceptable. Why did I say that? The previous Thursday, I attended a seminar held under the Chatham House rule with my friends for Cannock Chase (Dr. Wright) and for Newport, West (Paul Flynn) and other colleagues in the Public Administration Committee. A galaxy of stars were there: Lord Hutton, Lord Butler, Geoffrey Howe, Lord Hurd, and the Conservative academic and constitutional expert, Lord Norton—people like that. The seminar concluded and, because I know how things work, I came across from that seminar in Portcullis House and tabled a question in the Table Office. My question to the Prime Minister was whether he

"will make it his policy to consult...the leaders of opposition parties represented in the House and...the Chair of the Public Administration Select Committee before announcing...the terms of reference and...the composition of an inquiry into the Iraq war"?—[*Official Report*, 18 June 2009; Vol. 494, c. 452-453W.]

I got a big raspberry a few days later, on Monday.

To this day, I do not know what persuaded the Prime Minister to take the line that he did. If he had consulted with colleagues in all parts of the House, consensus would have emerged and we could have gone forward. What are we trying to establish? We are not trying to put Tony Blair's head on a pikestaff. We are trying to establish the truth. In the Public Administration Committee's report, which Members will have read, we go on to say that apart from establishing the truth, we want to

"ensure that the executive can be held properly accountable for its decisions and conduct in relation to Iraq."

That is what we wanted.

We were trying to get consensus on the establishment of a parliamentary commission of inquiry into Iraq because we knew that, until very recently, the Government did not want to act. They did not want an inquiry into Iraq—it was a radioactive issue. That is why we, as a Select Committee, came forward with our proposals. No. 10 and the Government knew exactly what we were doing. They knew about the seminar and the meetings we were having, but despite that we got the crass statement from the Prime Minister on that Monday.

What did we want as a Select Committee? In our report, we called for a debate and a free vote in the House of Commons on the proposal for an inquiry. I will vote with the Government today if Ministers can tell me that there will be an early occasion when they put a substantive motion before the House on the inquiry's terms of reference. That motion should set out its membership, composition and so on—in other words, all the matters of concern that have been raised in the debate. If I get that assurance in an hour or two's time from the Front Bench, then I will vote for the Government: if not, I will vote with the Conservatives.

I have one or two other points to make that have been prompted by what has come up in the debate. Clearly, we need evidence to be given on oath. Until the Member for North-East Fife (Sir Menzies Campbell) spoke, I did not appreciate that the inquiry as currently constituted may not have the power to require people coming before it to swear an oath. That needs to be cleared up.

My friend the Member for Medway (Mr. Marshall-Andrews) spoke about the legal advice. Of course, we did not get the full legal advice until 2005, two years after the conclusion of the war. The minutes of the crucial Cabinet meetings of March 2003 need to be released, but so do the notes that were also taken at those meetings. I have discovered that two sets of notes are taken of what is said at Cabinet meetings. They are, presumably, distilled into formal Cabinet minutes. We need all that information.

It is absurd that an inquiry into our biggest military engagement since the second world war does not feature a senior military person. I was completely gobsmacked to read that the head of the Army, General Dannatt, had not even been consulted by No. 10 on the terms of reference.

We should also encourage civil servants who feel that they have something new to say to step forward, and we should give them all the protection that they need to speak candidly and truthfully. I say that because the PAC held a sitting on leaks and whistleblowers back in March, at which a Foreign Office diplomat, Carne Ross, appeared before us. He was our man at the UN for four and a half years and is an expert on the middle east and Iraq. Talking about the experience of many people in the civil service—in the bureaucracy—he said:

"There are many other people involved who have yet to tell their story...There are many documents that should come to light."

That was said by a civil servant on the edge of great things who resigned from the Foreign and Commonwealth Office because of what he felt was mendacity on the part of the Government.

Mr. Duncan Smith: I want to follow up on one point about which the hon. Gentleman has not spoken. I and others noted earlier that the political representative on the committee is from the other place. Does he think that an elected Member of Parliament or two should be on the committee, so that the opinion of the Chamber can be represented? After all, we voted on the matter. Why should someone from the other place be our representative?

Mr. Prentice: I could not agree more about that. Indeed, my friend the Member for Cannock Chase said in a letter to the Prime Minister:

"There needs to be a process of engagement on the inquiry's purpose, terms of reference, membership and procedures...it would be appropriate for the Government to seek formal parliamentary endorsement of the inquiry's terms of reference and membership".

We need that, because that would cover the point about senior parliamentarians having an input. It would also deal with the point that I and others have made about the committee having a place for a military person. That person should not be below the salt as an assessor, but a full member of the inquiry team.

One final thing—or have I had a final thing already?

Jeremy Corbyn (Islington, North) (Lab): There are no limits in Parliament to final things.

Mr. Prentice: My views will not be changed by the Minister's big, broad smile, but I want to say something about documents. I attended a meeting a week or 10 days ago that was addressed by Philippe Sands the human rights QC. He spoke about a note from President Bush

to the former Prime Minister Tony Blair on 31 January 2003. President Bush allegedly said, "Put up the planes; fly the planes over Iraq; paint them in UN colours, and when Saddam shoots them down, that's the pretext to go to war." I do not know whether that is fantasy land, or even whether that document really exists, but the inquiry should be able to subpoena all the documents, if that is the expression; it needs to get to the truth.

Let me restate my central point. I want the Government to concede and to bring forward a substantive motion allowing the House to consider the new terms of reference and the composition or membership—call it what you will—so that the House can vote on it and give the inquiry its parliamentary imprimatur. If I do not get that, I will vote with the Conservatives.

4.16 pm

Mr. George Galloway (Bethnal Green and Bow) (Respect): With respect, Mr. Deputy Speaker, 10 minutes of most Back Benchers is more than enough, but there are odd occasions when it is not enough. The speeches of the right hon. Member for East Hampshire (Mr. Mates) who has vast experience and of the right hon. Member for Birmingham, Ladywood (Clare Short) should have been extended. They were extremely important to this debate and this 10-minute rule should give you, Mr. Deputy Speaker, the flexibility to allow a moment or two for important, decisive speeches in a debate. I have now given away 30 seconds of my time, but I thought that that was worth saying.

The Government just do not get it. That is evident again this evening from the languid complacency with which the Foreign Secretary spoke, which led the hon. Member for Cannock Chase (Dr. Wright) to say that he felt that the Foreign Secretary's heart was not in it. It is evident from the period of time when there was not a single Government Member on the Front Bench and from the body language of the two Ministers who now are on it when the right hon. Member for Birmingham, Ladywood was speaking. They were sneering and nudging, utterly oblivious to the fact that her speech will be listened to and read by millions tomorrow and given real weight, while what they have to say will be treated, if they are lucky, with derision.

The Prime Minister's initial prospectus for this inquiry proved that the Government just do not get it. When, in 2005, I was elected as the first left-of-Labour Member of Parliament in England for 60 years, I was elected because of Iraq. The Labour party's membership has halved because of Iraq. Millions of Labour voters have left them and new parties—some of the left and some of the right—are proliferating and strengthening, in substantial part because of Iraq. That has happened not directly, but indirectly because of the poison that the Iraq question has caused to pulse around the British body politic. The lack of credibility of the British political class has also been the result of Iraq.

The Government still do not get it. If they did, they would have used this opportunity for a grand catharsis, to turn the page and finally leave Blairism behind and call for the kind of inquiry that has been repeatedly demanded in the House this evening.

Jeremy Corbyn: Will the hon. Member also concede that it is not just British politics that has been changed and shaped by Iraq, as the issue has had an effect across Europe, all over the world in respect of the anti-war movement, but also particularly in the United States? For all his support for the war in Afghanistan, President Obama basically owes his position to his opposition to the Iraq war and his initial victories in the Democrat primaries because of that opposition. American politics has also been delineated by Iraq.

Mr. Galloway: Indeed. There has been a holding to account in the United States of America—there has been catharsis. Those responsible for the disaster have been cleansed away and there is the sense of a new beginning.

Of course, we do not have that option. Some of us recall only too vividly the iron-clad consensus between those on the two Front Benches in the run-up to the war. The then Leader of the Opposition differed from the Government only in that he wanted the war faster, and more brutal and overwhelming. We have no chance for that catharsis, because either Tweedledee or Tweedledum will rule the country when the general election comes. That is a disaster for us, and it makes the inquiry much more important than it might otherwise have been. That is why we ought to have a real inquiry.

I am a founder and the vice-president of the Stop the War coalition, which organised the demonstrations of millions that have been referred to this evening, so the House must forgive me if I am a little more rebarbative than some of the politesse we have heard today. I seek to speak for the millions who were on the streets of this country.

People have queued up to say they have nothing against the membership of the inquiry. Well, I do. The more the Foreign Secretary adumbrated their distinguished characteristics, the more I saw a parade of establishment flunkeys—Sir Humphrey This and Sir Humphrey That. Those who are not just grey blurs are in fact partisans. Freedman is one of the authors of the intellectual case for the war. He and his neo-con friends were the people who made the then Prime Minister's bullets for the war. Gilbert hailed Bush and Blair—imagine, they are already two of the most discredited political figures in the world, and history has not even started on them yet—as akin to Roosevelt and Churchill. Yet both Freedman and Gilbert are among the very small group of people who will conduct the inquiry.

Why can we not have real politicians on the inquiry? Why cannot the hon. and learned Member for Medway (Mr. Marshall-Andrews)—forensic, learned, legal—be on the committee? Why cannot the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), with all his experience, skills and training, be on the inquiry? Why cannot the former Foreign Secretary Lord Hurd, with his vast knowledge of international affairs, be on the inquiry? Why should Parliament be represented by a woman I have never heard of? I have sat in this place for 23 years, and I doubt whether anybody here, other than those with the privilege of knowing the lady personally, could tell us anything that she has ever done. How can she represent Parliament in this great debate—this great inquiry? There are no military men, no men or women of legal eminence and no politicians except a non-political peeress of whom none of us has heard. This inquiry team has no credibility out there among the public.

Mr. Gordon Prentice *rose—*

Mr. Galloway: I cannot give way, because I shall lose the time—I have no extra time. I am sorry. The House must forgive me; I am one of those who is worth more than 10 minutes. I cannot give way—[HON. MEMBERS: "You can."] In that case, I apologise. I give way.

Mr. Prentice: I think it is completely out of order for the hon. Gentleman to traduce Baroness Prashar from the other place. She was a distinguished civil service commissioner. Just because he has not heard of her does not mean that colleagues elsewhere have not.

Mr. Galloway: Quite so. A distinguished civil servant, just as Mr. or Lord Chilcot, Sir Chilcot or whatever he is called, is a distinguished former permanent secretary. That is the point. How very British. How very "Yes Minister". How very Sir Humphrey. This has to be a real inquiry, of the kind the Americans would hold—with forensic experts on it who can root out the truth.

Some of the stuff we have heard this evening has been almost laughable. The Foreign Secretary said that he cannot put a percentage on which parts will be in public and which in private. Well, given how loth most people in the country are to believe anything the Government say, that ought to be a significant warning signal. They say that Chilcot can look at the scope for making people take oaths, but without oaths the whole thing is meaningless. Tony Blair is right that he answers questions on Iraq all the time. It is the truthfulness of the answers that is the problem, not the fact that he has the brass neck to answer. His problem is the punishment that he would have to face in this life if he answered questions untruthfully under oath. This is not worth the paper it is not written on unless there are legally enforceable powers to subpoena, to bring witnesses and documents, and to force people giving evidence to do so under oath.

The reality is that some of us smell a crime in this whole affair. That it was a blunder is now conventional wisdom, although one or two almost extinct volcanoes on the new Labour Benches are still prepared to chunter about how proud they are of an enterprise that killed a million people, that killed hundreds and maimed thousands of our own people, that radicalised and fanaticised hundreds of millions of Muslims throughout the world, and that caused fanaticism to come to our very own country and harm innocent people in London, including in my constituency. Although a few semi-extinct volcanoes are prepared to identify themselves with what they did, that this was a blunder is a conventional wisdom that is shared if not in this building, then among the vast majority of the population as a whole.

Some of us say, to reverse Talleyrand, that this was worse than a blunder; it was a crime. If the inquiry is to mean anything, it will need to be able not only to apportion blame but, if blame is apportioned, to signal what legal avenues should be pursued. I know that we do not like that sort of thing in this country—things are usually swept under the carpet and finessed—but this is new territory. Events such as the expenses scandal have left the country seeing our House with such odium, and this country's political class so naked, that the old ways will not do. If the inquiry finds people guilty of misleading Parliament, the Queen, the armed forces and the public, they will have to be held accountable. There will have to be a trial, which will have to be held under oath, and that will lead to punishment if there are convictions at the end—nothing less will do.

We can faff about here in our parliamentary way, with fey exchanges between those on the two Front Benches, but that will not cut any mustard out there—*[Interruption.]* It will not cut any mustard with the people who were against the war in their overwhelming number in constituencies such as that of the hon. Member for West Ham (Lyn Brown), who is speaking from a sedentary position. They will be looking to see whether she votes to continue the cover-up, or votes for the kind of candour that will be required to return credibility to the House and our political system. This does not cut any ice with the millions of people who used to vote Labour but can now hardly think of themselves doing so again, even when the alternative is the rancid hypocrisy of Conservative Front Benchers.

4.28 pm

Mr. Mohammad Sarwar (Glasgow, Central) (Lab): I am pleased to have the opportunity to speak in this important debate, which is of great interest to my Glasgow constituents, the British public and the wider world.

I remember that the House was told that Saddam Hussein had weapons of mass destruction and that he could launch nuclear missiles at 45 minutes' notice. We were also told that he had links with al-Qaeda, but we now know that the only link was that al-Qaeda tried to kill him. We were given those reasons for going to war, but what we have learned since then has proved our fears and concerns right.

I remember attending an anti-war rally in Glasgow that was one of the biggest rallies in the history of Scotland; 70,000 people participated in it, and they were all angry. They all felt that the war was unnecessary, unjustified and probably illegal. I also saw more than 1 million people marching on the streets of London, opposing the war. The inquiry must answer the question: why did the British public better understand the crisis and get it right, while our Government got it so wrong, despite having access to both UK and US intelligence services reports, on top of several UN reports, including the investigation by the respected Hans Blix?

The inquiry must help to answer the unanswered questions raised during the years of the war. It must be an inquiry unlike any conducted before, with full access to all Government papers and the ability to call any witness. Crucially, it should be fully independent of the Government, and its remit should cover more than just the period of conflict; it should also cover the periods that led up to it and followed on from it. I welcome the indication from the Prime Minister that that will be the case.

The proposed inquiry has been severely criticised on the grounds of timeliness, committee membership, and transparency. With regard to timeliness, although the committee is not due to report back for a whole year, I firmly believe that a job as large as the one that it has been tasked with is not something that we can afford to rush into. After all, we have already seen the terrible consequences of having rushed into the war. I am sure that no one will argue that it is in the interests of the House or the public that the committee should be hindered in any way while conducting as detailed and as accurate a report on the Iraq war as is possible, least of all by having unnecessary time constraints imposed on its work.

With it initially having been proposed that the inquiry should take place entirely in private, it is the issue of transparency that has attracted the most debate, both within and outside the House. I accept that it is difficult to strike a balance between the interests of transparency on the one hand and national security on the other. None the less, I share the concerns of hon. Members on both sides of the House who have called for a presumption in favour of proceedings of the inquiry being held in an open and public manner.

The inquiry represents a vital opportunity for the people of Britain to come to terms with one of the biggest foreign policy mistakes made in their name—an opportunity that we simply cannot afford to miss. Crucially, the inquiry should not only highlight our interests, but show a genuine interest in the well-being of the Iraqi people. It is not enough to analyse what went wrong during the war, nor is it enough to report on its aftermath. The only way for so detailed an inquiry to be truly beneficial to this House is for it to include recommendations on the various ways that we as a nation can help to improve the living standards of ordinary Iraqi citizens. The inquiry must look at the huge humanitarian problems created, such as the millions of refugees who were forced to flee to neighbouring countries, the terrible human rights abuses that occurred in Abu Ghraib and the alleged cases of extraordinary rendition. I cannot stress how important it is for all those issues to be investigated as part of the inquiry. We cannot allow them to overshadow all the good that has been done in Iraq with regard to humanitarian assistance, infrastructure and economic projects, and, most importantly, democratic government for its people.

I welcome the debate today brought by the Opposition, but they should also be asking serious questions of themselves. Although I recognise that it was a Labour Government who took us into war, let us be under no illusion that while 139 Labour MPs opposed the war, the Tories almost unanimously supported it. The Leader of the Opposition has already stated that, even knowing what he knows today, he would still have gone to war with Iraq. The motion alone will not hide their complicity in the conflict.

The inquiry must also look into the so-called special relationship between the UK Government and the Bush Administration—a relationship that made us look like we were blindly following Bush into a conflict on which he had already made up his mind. My right hon. Friend the Secretary of State for Justice once said on the issue of terrorism and proliferation of weapons of mass destruction that our answers to these threats will determine the stability of the world for years to come, and he was right. Those choices have affected the world and will no doubt continue to do so, as this war will be remembered by all as having been waged without just cause, against the wishes of the international community, particularly the Muslim world.

There is no doubt that one of the consequences of going to war is an increased risk of terrorism, the effects of which we have already seen in our country with the 7/7 bombings. The inquiry must help to break the propaganda used by radical groups to incite hatred against Britain and British people.

The inquiry must be an opportunity for the Government to show that they recognise their mistakes, that they are willing to apologise for them and, most importantly, that they have learned the lessons. The fear that many opponents of the war will have is that the inquiry will again be some kind of whitewash. The inquiry must begin to rebuild the trust and respect of the British people in the Government, and the trust and respect that we once held in the international community.

4.37 pm

Mr. John Baron (Billericay) (Con): The justification used by Government and others since the war has been varied. We have heard explanations that Iraq is a much better place, and that there was a need for regime change, despite the fact that regime change is illegal under international law. But we cannot get away from the fact that the main justification for war at the time was weapons of mass destruction. It is therefore blatantly obvious to the majority of people outside this place, if not in this place, that we went to war on a false premise. There were no weapons of mass destruction. The reason why the UN weapons inspectors could not find such weapons is that they did not exist.

I mention that for two reasons. The inquiry should focus on how the decision was made to go to war, given the lack of concrete evidence as to the existence of weapons of mass destruction. Also, I agree with other Members when they say that the Government simply do not get it. They have completely missed the point. Outside this place, there is a real sense of anger and of betrayal that the country and Parliament were misled when it came to justifying, at the time, the case for war. That sense of betrayal and anger has been reinforced by what is now, subsequently, seen as the enormity of the folly.

There can be no doubt that Iraq was the biggest foreign policy disaster since Suez. It was flawed in conception, execution and legacy; it brought about the death and/or displacement of hundreds of thousands of people in Iraq; it radicalised parts of the Muslim world against us to the extent that it has increased the risk of terrorism against residents of this country; and it brought about, within Iraq, the penetration of al-Qaeda, which had not been a presence there prior to the invasion. The west has suffered an historic loss of political and moral prestige, not just through the invasion, but through such issues as Abu Ghraib, which has not helped our cause.

Last but not least, the enormity of the suffering that the death or injury of so many of our troops has caused is now clearly focused in people's minds. The troops did everything that was expected of them; my hope—our hope—is that the inquiry will explore whether Parliament did everything that was expected of it. It must not only find the truth, but be seen to find the truth. That is why I, for one, believe that only a fully public inquiry will purge that anger and sense of betrayal, which is so keenly felt outside this place and in this Chamber.

I believe that there cannot be any private sessions. History shows that sessions in secret do not necessarily reveal the truth; difficult questions do not get answered. A clear example is the 45-minute claim. At the time, the then Prime Minister made great play of the fact that our forces were within 45 minutes' striking reach of chemical weapons. We still do not know to this day how that claim was inserted in the dossier itself, but we do know that the intelligence services did not think that the evidence and intelligence warranted the claim's inclusion in the draft dossiers leading up to the first official draft dossier of 10 September 2002, when it was included.

[Mr. John Baron]

We do know also that at a meeting on 9 September 2002, spin doctors were present, and that, subsequent to it, the 45-minute claim was included in the draft dossier. When the Foreign Affairs Committee asked questions in 2003, the evidence was taken in private and, during the course of that and subsequently, the Government requested that the names of the spin doctors be deleted—or redacted. We still do not know to this day whether it was spin doctors—

Andrew Mackinlay (Thurrock) (Lab): Or spooks—

Mr. Baron: Or spooks who actually upgraded the 45-minute claim and made sure that it was an integral part of the dossier.

Barry Gardiner (Brent, North) (Lab) *rose*—

Mr. Baron: I shall take an intervention, because I think that I get an extra minute.

Barry Gardiner: I am very grateful to the hon. Gentleman and shall be as quick as I can. Does he recall that on the afternoon of 10 September 2002, the *Evening Standard*, in response to that dodgy dossier, made it quite clear that that information had previously been in the public domain through the International Institute for Strategic Studies and was not worth the paper that it was written on? In the subsequent six months to March the following year, therefore, it did not form the case that we decided upon in this Chamber on the 18th of that month. That was not the case at all.

Mr. Baron: With respect, I think that the hon. Gentleman has missed the point; the point is that the intelligence services themselves did not think that the issue merited inclusion in the dossier. At the meeting of 9 September, at which spin doctors were present, the decision was made to upgrade the claim, despite the lack of evidence. The strongest word that the intelligence services could bring forward was "indicates"—in other words, there were "indications". That was vastly firmed up and included in the dossier after that meeting.

However, we still do not know what happened for sure, because the sitting took place in private and names were redacted. That is why I firmly believe that there should be no private sittings during the inquiry. If we do not know what the questions are and we get answers that are largely redacted out, that will not satisfy the public anger and sense of betrayal about the war and the reasons why we went to war. If the Government are to purge that sense of betrayal, they have to do everything that they can to put the sittings into the public domain. Even written parliamentary questions to the Cabinet Office about who was responsible for including the 45-minute claim met a blank refusal. We want to know the answers, because the claim was an integral part of the case for war at the time.

There are two key questions that the inquiry needs to answer about how the decision to go to war was made. The first is about how the entire political structure—the system, the constitutional arrangements—failed to check the deluded ambitions, folly and hubris of one man. The second is about how the evidence of weapons of mass destruction came to be so exaggerated.

We all know that war should be the weapon of last resort, but on this occasion it was not. Why were the UN weapons inspectors not given more time? Many believe that the decision to go to war was taken well in advance of our vote in this place in March 2003. Many papers are available—some have been alluded to in this debate—that suggest that the decision was made by President Bush and the then Prime Minister Tony Blair back in April 2002 in Crawford.

There are minutes and briefing notes for Ministers with regard to that meeting, dated July 2002, that clearly make the point that the decision had been taken and that the question was about how it would be justified to the public. The point that the then Prime Minister was making was that he had to justify the decision and that the WMD claim was perhaps the route to take. Those documents have never been denied by the Government. Again, it all begs the question how the political system and constitutional safeguards—party control, collective government, parliamentary democracy itself—failed so spectacularly on that occasion.

The other issue on which the inquiry should remain firmly focused is how the evidence was "sexed up"—to use that unfortunate phrase—once the decision had been taken. We must remember that previous inquiries did not fundamentally address that point. The Hutton inquiry, for example, cleared the Government of sexing the evidence up because it believed that the dossier was at all times under the control of the Joint Intelligence Committee. However, all the evidence since, which we have had to drag from the Government—through freedom of information requests or the intervention of the Information Commissioner—is that spin doctors were at the very heart of the drafting process.

The fact that a spin doctor produced the first full draft of the dossier, one day before John Scarlett's official draft of 10 September 2002, is evidence of that. Scarlett himself acknowledges that he had considerable help from John Williams, the senior press officer at the Foreign Office at the time. Such questions need to be answered by the inquiry. But they will not be truly answered, and the sense of betrayal cannot be purged, unless the inquiry is made fully public.

4.49 pm

Alan Simpson (Nottingham, South) (Lab): I welcome the fact that there is going to be an inquiry, but I share the feeling expressed by other hon. Members that in reality, it is not the Prime Minister who is on trial in this debate but this House. I am quite happy to acknowledge that the terms of reference that the Prime Minister has set are unnecessarily and unhelpfully restrictive, both on the membership and make-up of the inquiry team and on its remit. However, it will be down to this House to determine whether we collectively are willing to run with something that, at the end of the day, will only add to the discredit and disbelief among the general public about the standing of the House. It is we collectively who are on trial, and I hope that Members will think carefully about that when they decide how to vote on the motion.

My own belief is that the terms of reference of the inquiry are both too narrow and too wide. I agree with the hon. Member for Somerton and Frome (Mr. Heath) that we could quite legitimately separate questions about the conduct of the war once we were in Iraq from

questions about how we came to be involved in that war in the first place. It does not help any of us for such a wide remit to be set that it becomes impossible for the committee to report before the next general election. It is crucial that clarifying how we came to be involved in the war in the first place is the central issue under investigation.

I find it absolutely incredible that the terms of reference should have been set so that the committee is to be precluded from either making recommendations or attributing blame. It is as though there were to be an inquiry into the great train robbery but no one could be found guilty of it, prosecuted or sent to prison. It is absolutely astonishing that the committee should be manacled in that way even before it starts.

Jeremy Corbyn: Does my hon. Friend accept that that is actually a self-defeating exercise? Unless the inquiry can attribute blame and point in the direction of legal liability for the war, the demands for an inquiry will not go away. They will become stronger and stronger, and the next Parliament and the one after that will have further inquiries. It will go on until the truth is found.

Alan Simpson: I think that is the case, and it will confirm to the public that everything this House did not want to know in 2003, it does not want to know now. If we set the terms of the inquiry so narrowly that it cannot carry out the rigorous forensic investigation that is required, it will be subject to the ridicule that it deserves.

I remind the House of some of the inconvenient elements that were already in place in the run-up to the war in 2003. I pay tribute to many of my hon. Friends, some of whom are in their places, who at that time formed Labour Against the War. It was to demonstrate in the Chamber that there was not a consensus in the Labour party that endorsed the country being bounced into an illegal and immoral war.

It was under the auspices of Labour Against the War that we brought into the Palace of Westminster several of the key international players who ought to have informed our debate. Dominique de Villepin was here, and he set out the French perspective. Scott Ritter, a former head of the United Nations Special Commission weapons inspectors, came here and set out what the inspectors already knew about the destruction of both Iraq's capabilities and its potential to deliver weapons of mass destruction. He gave UNSCOM's evidence to Members who were interested. Denis Halliday, the UN humanitarian co-ordinator, came and told us what a devastating mess we were already making in Iraq and how disastrous it would be to compound that error.

On the eve of the publication of the Government's dodgy dossier, those of us who had the temerity to do so produced a counter-dossier, which was Labour Against the War's case against the war in Iraq. It set out the degree of international evidence available that contradicted all the claims that were coming out of Downing street. The inquiry therefore needs to address how, in the face of that evidence, this House could be bounced into a war of choice.

A number of hon. Members have referred to the importance of the availability of the legal advice at the time. However, it is not enough to have access to the legal advice; it is also important that the memorandums and notes of meetings should be available. Two of those memorandums that have already been widely leaked have been mentioned. My hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) referred to the secret Downing street memo produced on 23 July 2002 by David Manning and Matthew Rycroft, the Prime Minister's foreign policy adviser at the time. My hon. and learned Friend cited the comments by the head of MI6 about the need to fix the facts around the policy. However, I was far more interested in the comments made by elected Members of this House at the meeting described in that memorandum.

The then Foreign Secretary, for instance, said:

"It seemed clear that Bush had made up his mind to take military action, even if the timing was not yet decided. But the case was thin."

In an attempt to be helpful, the then Defence Secretary said that

"if the Prime Minister wanted UK military involvement, he would need to decide this early."

Even at that time, however, the Attorney-General said that

"the desire for regime change was not a legal base for military action".

In conclusion, however, the then Prime Minister said:

"If the political context were right, people would support regime change. The two key issues were whether the military plan worked and whether we had a political strategy to give it the space to work."

For the Prime Minister, the question was not then, and perhaps never was, whether the war was legal. It was not then, and possibly never was, whether there were weapons of mass destruction. The question was: can we manufacture the case for a war, in order to con the country, the Cabinet and the Commons into endorsing that plan? That absence of legality and the cynical manipulation of a case for a war of choice must be the focus of the inquiry's work.

The second note relates to the meeting that took place in the Oval Office on 31 January 2003, to which the right hon. Member for East Hampshire (Mr. Mates) referred. He is right to question the absence from that meeting of both members of Cabinet and the UK ambassador to the US, because there were only three people at that meeting from the UK side: the Prime Minister, Jonathan Powell, his chief of staff, and Matthew Rycroft, the foreign policy aide who was the author of the memo. However, that memo said that

"the president and the prime minister acknowledged that no unconventional weapons had been found inside Iraq. Faced with the possibility of not finding any before the planned invasion, Mr. Bush talked about several ways to provoke a confrontation, including a proposal to paint a United States surveillance plane in the colors of the United Nations in hopes of drawing fire, or assassinating Mr. Hussein."

That is the cynical pursuit of conditions under which it will be possible to manufacture a case for legally going to war when no legal basis for doing so exists.

The inquiry must address to what extent members of the Cabinet were ever informed of those discussions. It must address whether the Cabinet knew, for instance, that the then Prime Minister was planning a war of choice in Iraq nine months before it was fought; that his objective was regime change, not the removal of weapons of mass destruction; that he had agreed nine months in advance to fix intelligence and facts around the Bush

[Alan Simpson]

policy; and that Britain, based on the Prime Minister's approval, was colluding with acts of provocation or assassination.

Those are all illegal acts. Had we had evidence that Saddam Hussein had been doing the same thing, it would have been justification for a war against him. It would also have been justification for him to be tried as a war criminal. I am not interested in the question whether the House should be judged according to the accusations of the Hague on the Opposition Benches. Ultimately, I have always argued that The Hague in the Netherlands should be the place where these questions are tried. My belief is that those who have perpetrated war crimes and acted as war criminals should be tried at the International Criminal Court. Those who say that we cannot do that now because it is too late to attribute blame ignore the fact that, for example, faced with institutional acts of child abuse, the House would never accept that we could root out that abuse without punishing the abusers. We are being asked today whether we have the courage to do this.

5.1 pm

Adam Price (Carmarthen, East and Dinefwr) (PC): At this point in the proceedings, we begin to echo each other, and we are doing so today across the Floor of the House. It might be repetitive but, at times such as this, we begin, as a House, to get to the heart of the matter. The heart of the matter is that this inquiry is not just about the specific events leading up to the war or about its aftermath. It is also about our constitution and the way in which we conduct our democracy. That is its importance. The House has an opportunity today to restore the proper balance of power in this country.

We need to accept our share of the collective responsibility. The right hon. Member for Birmingham, Ladywood (Clare Short) referred to the many institutional failings that lie at the heart of this terrible, tragic, unnecessary war. Unfortunately, Parliament also played its part in that, on 18 March 2003, and it is now up to Parliament to play its part in making amends for that mistake. We have the opportunity to do that today.

Most of the Labour Members who have spoken today—indeed, most of the Labour Back Benchers who have attended the debate—voted against the war on that day. I ask them to join us in voting for the motion in the name of the official Opposition today. I speak as a miner's son from Ammanford, and I mean no personal disrespect when I say that, on occasion, it is difficult for me to join the Conservatives in the Lobby. Today, however, the Opposition are doing what an Opposition should do: we are probing the contradictions in the Government's stated position. We had a new Prime Minister who said that he wanted to restore the proper balance of power between Parliament and the Executive, but does anyone seriously believe that he would have rowed back so fast and so furiously if the Opposition had not tabled this motion on the openness of the inquiry?

Today, we have to push the Prime Minister even further, on the key question of the terms of reference. The line of accountability on this issue, which is a stain on our democracy, has to lie through Parliament to the people, who are the ultimate arbiters. It should not involve the Privy Council or a hand-picked group of people whose accountability is fundamentally to the Prime Minister. We cannot allow that mistake to happen again. It was that very concentration of power that got us into this mess in the first place.

Let us go back a century, to the time when some would say we moved away from a balanced constitution. The House of Lords lost its power to this House, then, in the 20th century, this House lost its power to the Cabinet. Finally, the Cabinet was sidelined and power was concentrated in the hands of one man. The power symbolised by the Mace—the royal prerogative—was placed in the hands of one man and a small cabal of advisers. That was what led to the terrible tragedy of the Iraq war, and that is what we, as a House, must now put right. We shall do that by voting for the motion and insisting that this inquiry into the war has to report to us in terms that we have set.

I remember when the then Prime Minister spoke at that Dispatch Box on that terrible day for our democracy. He referred to the UN inspectors' reports, which contained, he said, unanswered questions and

"29 different areas in which the inspectors have been unable to obtain information".—[*Official Report*, 18 March 2003; Vol. 401, c. 763.]

He used that terrible Rumsfeldian logic. Absence of evidence is not evidence of absence; the fact that there was no evidence of WMD did not mean that the WMD were not there. That was sufficient reason—justification—for the war.

I did not believe a word that the Prime Minister said, but many hon. Members believed that it was not possible for a serving Prime Minister to lie to the House and to the people. Because he is no longer a Member of the House, I no longer have to fear being ejected for saying what many people believe: we were misled and the House was misled on a matter so serious—life or death, peace or war. That is why it is our responsibility tonight to get to the heart of the matter, both the specifics of the Iraq war and how our democracy and our machinery of government were so terribly undermined. We have to establish the truth and ensure that that never happens again—and yes, if as a result of that the inquiry believes that it must attribute blame, it should be free to do so if there is individual culpability, as many of us believe.

There are three key issues that the inquiry must consider and which have been touched on by many hon. and right hon. Members. On the motivation for the war, I believe that WMD were the pretext. As we have heard, various minutes and the Downing street memos that have emerged subsequent to the Butler inquiry suggest clearly, as Wolfowitz said, that WMD were simply the bureaucratic rationale. The real reason lay elsewhere, and it was regime change all along.

On legality, the contribution made by the right hon. Member for East Hampshire (Mr. Mates) was fascinating and it chimes with what Philippe Sands said in his book, "Lawless World": the Butler inquiry saw correspondence between Ministers that the Cabinet never saw and which raised serious doubts about the legality of the war, and indeed shared some doubts that Colin Powell had about its legality.

We now know that the legal advisers in the Foreign Ministry of the Dutch Government believed that

"the Netherlands would lose any case brought before the International Court of Justice".

Interestingly, written on that memorandum were the words:

"Bury it well in the archives for future generations."

Our memorandums will not be buried. We owe it to future generations to ensure that this does not happen again.

Will there be prima facie evidence? Will the inquiry conclude that there is evidence that the war was indeed unlawful? We must remember that in November, Lord Bingham, former Lord Chief Justice and senior Law Lord of the United Kingdom, said that the Attorney-General's advice to the British Government contained

"no hard evidence",

that Iraq had defied UN resolutions

"in a manner justifying resort to force"

and that the invasion—the Iraq war—was

"a serious violation of international law and of the rule of law"

in this country as well.

Barry Gardiner: Does the hon. Gentleman recall the words of resolution 1441, which includes the words:

"Determined to secure full compliance with its decisions,

Acting under Chapter VII of the Charter of the United Nations...Decides that Iraq has been and remains in material breach of its obligations under relevant resolutions, including resolution 687"?

Chapter VII, of course, is the only chapter of the UN charter that justifies the use of force.

Adam Price: That point was dealt with by the right hon. Member for Birmingham, Ladywood when she said that there was no automaticity as a result of that resolution and that a second resolution was required. The Government changed their position when they could not get the second resolution—that is the reality of it—and they misled the House, the UN and the people of this country.

I believe that if the inquiry concludes—as the senior Law Lord of the United Kingdom has concluded—that the war was indeed unlawful, the Government should voluntarily report themselves. They should report the Iraq war to the International Court of Justice for a declaratory opinion so that we can ensure that, for the avoidance of doubt, it is established in international law for future generations, and so that the hundreds of thousands of Iraqis and the 179 British servicemen and women who lost their lives will not have lost them in vain. We will then have established a core principle in our democracy: that those who lead us cannot mislead us and expect to get away with it.

There is a fundamental principle in the way in which we govern relations between the nations of this world, and it is called the law. It is time for us, as a House of Commons, to undo the wrong of six years ago and vote for the motion. Sometimes it is necessary to have a parliamentary insurrection. I believe that Labour Members would be in tune with the best principles and traditions of the Labour party if they joined the official Opposition in the Lobby tonight. They may have their own reasons for doing so—many of us are mixtures of altruism and self-interest—but we know what it is right for us as a House of Commons to do tonight, and that is to unite behind an amendment calling for a proper inquiry that deserves the respect of the people of this country.

5.11 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): In March last year, on another occasion when we debated the need for an inquiry on Iraq, the Foreign Secretary expressed surprise at my reservations about the credibility of the inquiry chaired by Lord Butler. In the speech that I made later in the debate I set out my concerns, which I will not repeat now.

When that inquiry was set up, we already knew of Lord Butler's form from his evidence to the Scott inquiry. When asked about the less than full information being provided in parliamentary answers, he said:

"You have to be selective about the facts."

Commenting to the inquiry on other parliamentary answers, he added:

"It was an accurate but incomplete answer. The purpose of it was to give an answer which itself was true. It did not give the full picture. It was half an answer."

We must ensure that the inquiry that we set up following today's debate gives the full answer.

Given the outcome of the Butler inquiry, it is appropriate to consider what we know about the chair and members of the current inquiry—especially as we heard from the Foreign Secretary today that, having first announced an inquiry to be held in private, the Government are now putting their faith in Sir John Chilcot to conduct the inquiry in an acceptable manner, telling the House that the Chilcot approach meets all reasonable expectations. I think that today's debate demonstrates that that is not the case.

We also learnt from the Foreign Secretary today that Sir John Chilcot went along with the proposal for the inquiry to be conducted in private. In contrast, Sir John is now saying that as much of it as possible should be held in public. That is good, but what message does it convey about his objectivity and impartiality, given that he was apparently happy to accept an inquiry conducted in private? Surely it should have been perfectly obvious to everyone—at least those with no interest in a cover-up—that that would not do.

By accepting such a condition, Sir John—a retired civil servant and as such someone who could be regarded as an establishment figure—failed to exert his independence. He does not seem to be the sort of person who robustly evaluates evidence and arrives at careful conclusions. Indeed, as a member of the Butler committee, he must have gone along with the remarkable decision to support the Government's claim that Iraq had sought to procure uranium from Africa, ignoring the conclusion of the International Atomic Energy Agency that the allegation was unfounded. Moreover, it did so without giving any reasons for disagreeing with the IAEA, and without addressing probing questions that I and the former Member for Blaenau Gwent, Llew Smith, submitted in our dossier to the inquiry.

I am not the only person who is raising questions about the selection of Sir John to chair the inquiry, as we heard in earlier comments from the Opposition Benches. In an article in last Sunday's edition of *The Observer*, Professor Philippe Sands talks of the role of the chairman as crucial, but says "questions abound" about the choice of Sir John. He asks:

"What was it about his role in the Butler inquiry that caused the prime minister to conclude he was suitable? Some who have worked closely with him, including on the Butler inquiry, fear he

[Lynne Jones]

is not the right person. Someone who has seen him first hand described his approach as one of 'obvious deference to governmental authority'"—

as is, perhaps, indicated by his acceptance of an inquiry in private. Philippe Sands continues:

"This is a view I have heard repeated several times. More troubling is evidence I have seen for myself."

He then refers to the occasion when the Butler committee took evidence from the former Attorney-General, Lord Goldsmith, on 5 May 2004:

"The uncorrected transcript shows some members of the inquiry pressing him hard. By contrast, Sir John's spoonfed questions give every impression of being designed to elicit a response from the attorney general that would demonstrate the reasonableness of his actions and those of the government."

Let me now turn to the other members of the inquiry team. Sir Roderic Lyne is a former ambassador to Russia. He retired in 2004 and took up a number of posts in the private sector. He was a special adviser to BP, which currently has major interests in Iraq. Regardless of whether that represents a conflict of interests, it does not help public confidence given the concern that we went to war for oil.

There are also two historians on the committee. Sir Lawrence Freedman is a military historian and professor of war studies. *The Scotsman* reports that he previously praised Tony Blair's attempts to influence US foreign policy in the run-up to the war—attempts at influence that proved fruitless. The other historian, Sir Martin Gilbert, compared George W. Bush and Tony Blair to Roosevelt and Churchill in an article in *The Observer* in 2004. Both historians could be seen as establishment figures.

Another member of the committee is Baroness Usha Prashar. She has a virtuous CV but, as other Members have said, would it not have been more appropriate to include Members of this House? Public confidence in the inquiry would be enhanced if its membership included at least one Member who has questioned the decision to go to war. Some names have been mentioned in the debate; I suggest my hon. Friend the Member for Pendle (Mr. Prentice), as I think he would be an excellent choice.

I would also like to suggest another member. John Morrison was an analyst at the Ministry of Defence with wide experience of the British intelligence community. When he retired in 1999, he took up a post as the Intelligence and Security Committee's investigator, but he was sacked after he was interviewed, with the Committee's agreement, on "Panorama" in July 2004. In that interview he referred to the "collective raspberry" that went around Whitehall when the Prime Minister stated in the UK dossier of September 2002 that Iraq's weapons of mass destruction posed a serious and current threat. John Morrison said that

"the Prime Minister was going way beyond anything any professional analyst would have agreed."

The former chief of defence intelligence and former deputy chairman of the Joint Intelligence Committee, Air Marshal Sir John Walker, worked with Mr. Morrison and has expressed concern about the non-renewal of his contract. The ISC had previously described Mr. Morrison as a valuable asset to the Committee. Sir John is reported as saying:

"John Morrison is an extremely experienced and extremely good intelligence operative. I have the highest regard and respect for him. He has broken ranks, together with people like Brian Jones and David Kelly, because of a considerable concern about what was going on. If…people of John Morrison's calibre…break ranks it is very serious."

He also said that it was beyond belief that Mr. Morrison was going because his contract was up and that he would be surprised if pressure had not come from No. 10 after the embarrassment of the "Panorama" criticisms. A member such as John Morrison would add credibility to the Committee.

It is essential that we have an inquiry in which all shades of opinion in this House and the public can have confidence. It is supremely evident from this debate that that is not the case. I still cannot understand why the Government could not simply accept the motion in the name of the Leader of the Opposition. It would have been a way to make progress. It is still not too late to do so.

5.21 pm

Greg Mulholland (Leeds, North-West) (LD): It seems a long time since 15 February 2003. Much has changed for me in that time. I was then not an elected politician—I had not even been elected to Leeds city council, never mind as a Member of Parliament. I was one of the many—perhaps as many as 2 million—who marched on the streets of London in an unprecedented display of public protest that the Government were even considering taking this country into an illegal war. I was joined by my then girlfriend—now my wife, I am happy to say—who was one of the many who were not political people and who had never protested before in their lives. She took to the streets because she was so concerned about what might be done in her name.

A lot has changed since then for this House, too. We have had a general election—some Members left and some new faces, including me, joined. We have a new Prime Minister—indeed, a few weeks ago, we thought that we were going to have yet another Prime Minister. But the reality is that, not long after that march in February 2003, this House, which at the time seemed so immune to and out of touch with what the country felt, voted to approve the invasion of Iraq.

Barry Gardiner: Does the hon. Gentleman recall that on 18 March 2003, the opinion polls showed that 56 per cent. of the population were in favour of the war?

Greg Mulholland: The hon. Gentleman shows how out of touch with the public he remains. That is also what the Government have achieved with their bungling of the attempt to introduce a half-baked inquiry into Iraq. We all know that it was introduced only as a sop to Labour Back Benchers to try to save the Prime Minister's political life a few weeks ago. Close scrutiny shows that, once again, the Prime Minister has taken his blunderbuss and shot himself in both feet.

We now have an inquiry that will not even have the power to summon witnesses before it, and witnesses will not necessarily be speaking under oath. After everything that has already come out about this sorry affair, how can the public possibly trust witnesses who are not speaking under oath? The members of the inquiry team will be hand-picked by the Government from establishment figures. Yes, this House is right to be concerned that we will not have a say in who the members should be. We should be far more concerned, however, that the general

public should find the members credible. The general public must believe that the committee is credible, or it is not even worth starting the exercise.

Of course, I shall support the Opposition motion; however, I have to disagree with something that the right hon. Member for Richmond, Yorks (Mr. Hague) said. He said that this is not about who was right and who was wrong. I am afraid that it is. It is time for all those who voted for the war to admit that they were wrong. That is patently obvious.

I pay tribute to the hon. Member for Glasgow, Central (Mr. Sarwar), who has acknowledged that he made a mistake. It would be interesting to get a list of all those who voted for the war who have now had the courage to say that they were wrong, for whatever reason, and that they regret that decision. It is certainly a decision that they should regret.

The wording of the Government amendment is interesting. It says that we wish to

"establish the lessons to be learnt".

Surely the main lesson is not to manipulate and misrepresent intelligence to justify sending British soldiers into an illegal war that is to be waged by America. We do not need an inquiry to tell us that. However, we do need an inquiry to tell us how and why that disastrous decision was ever reached and to find out whether the House was deliberately misled.

I share the concerns that have been expressed about extending the remit of the committee. We must consider what happened afterwards, but we must first get closure for this country on why we went into the war in the first place. I echo the comments made by the hon. Member for Nottingham, South (Alan Simpson), who talked about punishment. We are now talking about having a one-year jail sentence for Members who abuse their expenses. What punishment should we have for a Prime Minister who deliberately misled the House of Commons and the British public into an illegal and immoral war? That is a question that we should be asking as part of the process. We simply cannot hide from it.

I am sure that we have all seen the ghost of Tony Blair over the past week. We still see his hand on the shoulder of the current Prime Minister. The sad reality is that although George W. Bush is discredited and did not get away with the illegal invasion of Iraq, as usual, "Teflon Tony" did. The only way to change that is to get him in front of a public inquiry, under oath, and finally get to the bottom of that decision.

If anyone doubts what I have said, the former Prime Minister, at the same Dispatch Box from which he misled the people of this country, once said something that was entirely untrue about me. He never had the decency or honour to apologise for that. What hope do we have that he will ever apologise for his disastrous decision?

There is a lot of talk about whether Tony Blair influenced the decision to have the inquiry held in private. I think that just about everyone on the Government Benches realises that that has done them a great deal of damage. Frankly, it does not matter, because Tony Blair's legacy is that it does not matter what the truth is, but simply how it is presented. Let me quote a supporter of the war, Bruce Anderson, from *The Independent* on 22 June. He said:

"Especially in Britain, policy towards Iraq was founded on a lie, because the Prime Minister could not admit his real…motive: regime change."

That quotation comes from someone who supported the decision to go into war. The reality, however, is that the current Prime Minister took part in that decision. In May 2007, he said:

"I take my responsibility as a member of the Cabinet for the collective decisions that we made, and I believe that they were the right decisions".

The reality is that millions of people in this country do not believe that the decisions were right, but they do believe that we have the right to find out exactly why they were taken.

The expenses scandal of the past few weeks has brought this House into disrepute. The decision to take this country into an illegal and immoral war brought the Government into disrepute. If we are to restore public confidence in the House and the Government, we need a proper inquiry and not the half-baked one that the Government are trying to get away with. We need a genuine inquiry that will finally give the answers needed to put this sorry issue to rest and to restore credibility in this House and this Government.

The people who marched in February 2003, some of whom had never marched before, deserve a proper inquiry. The fallen soldiers and their families must have that. If we want to restore faith in our democracy, we must demand it. If the biggest foreign policy mistake since Suez does not warrant a public inquiry, what does? This House failed the nation in 2003. It must not do so again this evening.

5.31 pm

Andrew Mackinlay (Thurrock) (Lab): I am one of those who voted for the conflict. I have told the House before that I shall deeply regret that until the day that I die. I believe that I was hoodwinked. I also think that my judgments were unsound.

I remember that we all went through a crisis at the time, as we examined whether it was a just war. We looked into what Thomas Aquinas said and we tried to understand the international law, but the background was that a British Prime Minister came to the House and told us that there was an immediate and serious threat. That certainly influenced me, and perhaps I will be able to amplify on that on another occasion.

The House and the nation were misled, and I am angry at having been fooled and at the way that I was bounced into voting for the war. I am bewildered by how anyone could consider not voting for the Opposition motion before the House this evening, because it sums up what must be done. It says that there should be an independent inquiry, and that there should be a resolution of the House of Commons to confirm its terms of appointment and its membership. The Prime Minister keeps going on about rejuvenating Parliament and constitutional reform. That is one reason why he should embrace the motion, but I shall refer to another in a moment.

The Government amendment makes me very angry. At last Wednesday's Prime Minister's Question Time, I cautioned the Prime Minister that I wanted to know whether people would give evidence under oath. Until the past few hours, there was no great response or interest from Members of Parliament or the press. Even some very good Members of Parliament from all parties

[Andrew Mackinlay]

still did not seem to understand that no one will be able to give evidence under oath because it is not a statutory inquiry. The amendment says that the Government will

"consult party leaders...on the scope for taking evidence under oath"

but I know, and the Prime Minister knows, that that is complete nonsense. The only way to get evidence given under oath is by the House passing a swift Act of Parliament to facilitate an extraordinary, one-off inquiry. I think that I am the only person in the House to have given evidence to the Hutton inquiry. None of that evidence was given under oath, and I shall say more about that in a moment.

Both Prime Minister Blair and the current Prime Minister try to claim that there have been numerous inquiries on this matter, such as the ones by the Foreign Affairs Committee, Butler and Hutton. Not one of those so-called "inquiries" was held under oath, and as a member of the FAC, I can say that extracting the truth was like extracting teeth from a whale. Every obstruction was put in our way. There were redactions in the report, as was mentioned earlier. The Butler inquiry was held behind closed doors, and we do not really know what evidence it received. We can look at the report, but no evidence was given under oath.

I have said already that the Hutton inquiry was informal and non-statutory, albeit headed by a distinguished judge. No evidence was given under oath to that inquiry either, and our witness statements are covered by the 30-year rule. My humble little witness statement will not be seen for 30 years; neither will the witness statements of the Defence Secretary at the time, the right hon. Member for Ashfield (Mr. Hoon), or of the then Prime Minister, or of people in the security and intelligence services see the light of day—unless, of course, this new inquiry is independent and appointed under the tribunals of inquiry legislation.

Of course, the establishment dare not do that, because all the documents seen by Hutton, Butler and the Foreign Affairs Committee would then be out in the open as documents before an independent inquiry. We know that there has been extensive dissembling—untruths told by a number of parties and agencies since the Iraq war and before it. We need to expose that and find out the motive for the dissembling, the misleading and the downright lies in some cases.

Over the past few days, the Whips have come to me, saying that they do not want a Saville-type inquiry, as that one went on a long time and cost a lot of money. Actually, I do not want a Saville-type inquiry and I am not advocating such an inquiry, as it is not necessary. The Saville inquiry related to one traumatic and heart-rending incident, but in terms of the volume and level of deceit, the Iraq war is much bigger than the awful events in Londonderry a quarter of a century ago—I am not minimising what happened there, of course. Saville's was a judicial inquiry, at which people had to give evidence under oath, and the same was true of the Lawrence inquiry. If I may go back in history, Winston Churchill gave evidence under oath at the Gallipoli inquiry. Although that was a long time ago, it is the sort of inquiry that is required to deal with the Iraq war today.

Why am I so upset by the Government trying to spin the yarn that, somehow, evidence can be given under what I think they say is the equivalent of an oath? That cannot be done and the Government know it. If I am wrong, let the Minister tell me where I am wrong when he replies to the debate. The fact is that the oath not only makes people tell the truth, but protects those who are being leaned on by superiors and other agencies. History would have been different if evidence had been given under oath to the Foreign Affairs Committee and, I believe, to the Hutton inquiry.

I regret to say this, Madam Deputy Speaker, but the problem is the Prime Minister. The fact is that he does not understand that he does not understand. He came along last week to announce the inquiry and he handed it down like tablets of stone. What he basically said is, "We are the Government, so we decide." That simply will not do. Things have moved on since last week. We were told that it was going to be a Franks-style inquiry—quite wrongly, I think, for reasons I have explained—but it has now mutated into something completely different. The Prime Minister and, downwards from him, his advisers, were panicking, so he wrote to Chilcot and asked him to see what he could do about having some sessions in public, using what is said in their phrase to be some "equivalent to the oath". There is no equivalent to the oath; there would be more value in the wolf cub's promise than what they are proposing. That is the fact of the matter. There is no such equivalent to the oath and the Prime Minister knows it. *[Interruption.]* If the Minister thinks I am wrong, I repeat my call for him to explain when he replies from the Dispatch Box what this equivalent is that will have the force of law and criminal sanctions if it were ever to be abrogated.

As I have said, the Prime Minister does not understand that he does not understand. The real test of all the stuff he has been saying about rejuvenating Parliament—he almost puts the blame on the rest of us for bringing Parliament into disrepute—is whether he is prepared to acknowledge that this Parliament has the right to decide the nature of the inquiry into why and how it was misled on the Iraq war. I am buttressed in my arguments by many of the people the Prime Minister relied on to say what a good idea a Franks-type inquiry would be. One after the other over the past seven days, those civil servants and members of the judiciary, for example, have said that that idea is nonsense. A few nights ago, I cheered when General Mike Jackson said on "Newsnight" that evidence to the inquiry must be given under oath. It showed that the Government cannot hide the fact that some military people who have seen the conflict and seen the evidence knew what was going on. They say this must be an independent inquiry and that evidence must be given under oath. Why does the Minister not understand that? Why does his boss the Prime Minister not understand that?

It is time the Minister went behind the Chair and phoned the Prime Minister to tell him to accept the motion. If the Prime Minister does not do so, he may win the vote—I am not certain—but he will certainly lose the debate. The arguments for an independent inquiry will go on and on and on until one is conceded.

5.40 pm

Mr. Geoffrey Cox (Torridge and West Devon) (Con): I have listened awestruck and impressed to the contributions made to the House today. I was not a Member of the

House until 2005, and it is humbling to listen to the sincerity, passion and candour of those who lived through the experience of having to vote in the House on so weighty and solemn a matter as sending our country to war. I have not had that responsibility, so it is with some trepidation but, I hope, a degree of humility that I offer my remarks about the motion on the inquiry that faces the House.

I intended to confine my remarks to the structure, nature, procedure and terms of reference of the inquiry, and not to venture into the substantive aspects of the question relating to the merits of the war in Iraq, but inevitably the two are connected. Nobody can deny that the events and circumstances of the Iraq war were of the greatest magnitude in the history of our nation—far greater, I submit, than the events and circumstances of the Falklands war.

One of the reasons I suggest the Iraq war is of greater magnitude is that it presents itself as a much greater and more complex series of questions and problems for the House and for history. It presents in that way because it raises much more fundamental questions, including questions of constitutional breakdown, as many Members have already said. How we came to the war includes the role of the Attorney-General and an analysis of how the Attorney-General interacts with the Government of the day. It includes complex questions of law, such as what was known to those who were advising the Government on the status of the war in international law. It raises questions of the House and its prerogatives, and of the accountability of the Government to the House. How can the House prevent itself from being—as some would say—deceived by evidence that has been exaggerated or distorted, when it cannot see the underlying documents?

The Franks inquiry certainly never had to contend with the question of constitutional breakdown, because the Falklands war presented itself in a fairly simple light. There were questions about the defects in intelligence and, some might say, about a defect in the Government's conduct of policy running up to the war and the invasion by the Argentines, but what was never questioned—at least not by an overwhelming majority of the nation—was the justification for going to war in the Falkland Islands in the first place. There was never a question of the constitutional processes by which that war had been undertaken.

I recall as a young man listening to the wonderful debate in 1982 in which Michael Foot gave a great speech pledging his support and that of the Opposition for the vindication of those little islands and their population against the bullying of a larger nation that had taken international law into its own hands and made a mockery of it by invasion. The war we are dealing with in the inquiry raises much more fundamental questions and will have a much stronger effect on history than the war fought in 1982.

It is precisely because of the multiplicity of aspects that the methods the Government have chosen to set up the inquiry are so fundamentally lacking. Let me explain. There are no terms of reference. Those we have seen, and which one can copy in the Prime Minister's statement, are non-existent. They have not been debated by the House. They have not been subject to the to and fro—the forensic testing and struggle—across the Floor of the House to ascertain and define precisely the instructions that the inquiry must follow. That is wrong and does not do justice to the complexity and gravity of the circumstances of the Iraq war because many of us might disagree about what central questions should be the focus of Sir John Chilcot's terms of reference. We cannot leave it to a bunch of civil servants, however distinguished they might be, to decide the fundamental questions to address.

The hon. and learned Member for Medway (Mr. Marshall-Andrews) defined the central question as he saw it: how the House came to be deceived by a series of exaggerations and distortions. However, others might see the inquiry's central question as military unpreparedness and the Government sending our troops into war ill-equipped—and in many cases unequipped—for the kinds of warfare with which they had to contend. They are not the only considerations—others might see the aftermath of the war as the central question—but this House ought to decide the central questions for the inquiry and define the terms of reference. It is only through the democratic process of debate in the House about the terms of reference that the public can have any confidence that they have been established transparently and objectively.

The motion in the name of my right hon. Friend the Leader of the Opposition says that the Government should

"submit proposed terms of reference…to the House on a substantive motion for full debate and scrutiny."

No other proposition can conceivably do justice to the gravity of the circumstances and the solemnity of the occasion with which we are confronted. I urge hon. Members on both sides of the Chamber to note the importance, as others have eloquently said, of the House taking back the right to say to the Executive, "This is our prerogative."

I want to say something about the procedure. Historians are generally not especially experienced at interrogating live actors—I hope that that statement is pretty uncontroversial. I have no doubt that the two historians on the panel are especially good at interpreting historical documents and evidence, but I would be surprised if they had much experience of winkling out the truth from a reluctant and sometimes even self-deceived witness. There is one forensic tool—I would say this, and I declare an interest—that is guaranteed to winkle out the truth from a Minister or anybody else: cross-examination. Cross-examination by a skilled and experienced cross-examiner is an indefeasible tool in the hands of an inquiry. It is absurd—it is fantasy—to propose that creating the conditions of secrecy will somehow lead to a cosy, fireside chat in which the likes of Alastair Campbell will be induced to confide their secret heart to the listening committee. It is only with the forensic tool of cross-examination that we can hope to get to the bottom of many of the complex and thorny issues with which the committee will be challenged.

If the Government are to have cross-examination and to get to the bottom of this, there has got to be an oath. It is no use suggesting, as the Foreign Secretary appeared to do at one point, that an oath can somehow be administered informally. If an oath is to mean anything, it must have legal consequences, and the legal consequences of telling a lie on oath are prosecution for perjury. If an oath is to be administered, it must be done in circumstances that leave no room for any doubt that telling a lie will be visited with all the penalties of the law, namely a prosecution for perjury. That is why I agree with the hon. Member

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for Thurrock (Andrew Mackinlay) that the only way is to have an oath. The only way is to have cross-examination. The only way is to have the inquiry in public when compelling interests of national security do not require otherwise. I say again that the only way is to have an inquiry that does justice to the gravity of the war, and to have a committee that includes men or women with experience, weight and wisdom in the relevant areas of this complicated issue.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I advise hon. Members that the winding-up speeches will begin at 6.30 pm. Five Members are hoping to catch my eye; I hope to be able to include everyone. Will Members please do the sums necessary?

5.50 pm

John McDonnell (Hayes and Harlington) (Lab): I shall be extremely brief, Madam Deputy Speaker. I have not intervened in the debate, and did not stand up to speak, because although I had put my name down to do so, I had to attend a funeral earlier and so missed the introductory speeches. I did not want to intervene on others who had put their names down in advance.

My point follows on from that made by my hon. Friend the Member for Thurrock (Andrew Mackinlay). There is an hour and 10 minutes of this debate left, and to be frank to the Government, whatever the outcome of the vote tonight, the inquiry is now in disarray. If it cannot command the cross-party support of the House, it will not command the support of the people outside.

Many arguments have been set out—on the lack of terms of reference, on the lack of consultation with, and involvement of, the House on that, on the composition, on the remit, and on oaths. The oath is absolutely critical. As my hon. Friend the Member for Foyle (Mark Durkan) has said, the equivalent to the oath will elicit the equivalent to the truth. The whole point of the exercise is to try to get to the truth. As my hon. Friend the Member for Thurrock says, I wonder whether, in view of the new practices that we are trying to introduce in Parliament, tonight could be the one occasion when a Minister contacts No. 10 and says, "The game's up. What we need to do now is try to find consensus in the House on this important issue."

This started with a tragedy. I voted against the war after one of the most heart-rending debates that we have had. It was heart-rending because at every Prime Minister's Question Time since then, a Prime Minister has announced the names of the fallen in Iraq and Afghanistan; I think that the Iraq war led to the climate that enabled the Government to go into Afghanistan. Now, we are going from tragedy to absolute farce.

I was at the parliamentary Labour party meeting only two Mondays ago. I do not often attend these days, but I did on that occasion. The Prime Minister discussed change and learning the lessons from the European elections. It was an excellent speech, in which he said that there would be change, we would learn lessons and we would listen. When he announced, the following day, that there would be an inquiry on Iraq, I was absolutely heartened. I thought, "We've learned a lesson; we're now going to address one of the central issues that stained the history of this Government." I thought that we would look for consensus across parties, establish terms of reference, and have complete openness and transparency, because that is what we are supposed to be all about these days. Within 24 hours, we realised that it was—someone said spin, but I think that it was absolute incompetence, to put it charitably.

Andrew Mackinlay: He doesn't understand.

John McDonnell: It is as my hon. Friend says. I do not think that the Prime Minister and others around him have understood the importance of the issue, in terms of clearing the decks for this Government or any future Government. If we cannot address the central question of whether the House and the country were misled by individuals, so that we can expose what went on, learn the lessons and move forward, we will not have cleansed the record of this Government, or be able, as a Government, to make such consequential decisions about life and death in future.

That is why I urge the Government tonight to hang up the guns at the door of the saloon. Let us get out of the trenches tonight and start talking about what the real needs of the country are. The real need is for honesty. To be frank, I follow what was said by the hon. Member for Bethnal Green and Bow (Mr. Galloway). We need an inquiry that brings forward the truth, no matter what the consequences. Many of my constituents feel that there has been a war crime; they feel that there was an act of criminality involved. If there are consequences that lead to our own Nuremburg or to The Hague or whatever, let us at least explain to our people that we recognise that possibility, and we are willing to examine the issue, no matter what the consequences.

The subject that we are debating is, as other speakers have said, fundamental to the standing of Parliament. If we are to restore credibility, this is one of the key issues that we must address.

Mark Durkan (Foyle) (SDLP): Further to the poignant arguments that my hon. Friend is making and that the House should consider, does he accept that some of us know John Chilcot, and we know that if he is put in charge of deciding whether something is public or private, depending on national security, he has an elastic concept of national security? He stretches it to cover many things, and in the past has stretched it to cover up many things.

John McDonnell: In today's debate we have gone beyond the examination of the individuals appointed to conduct the inquiry. So many doubts have been expressed across the House about the individuals who have been selected that the Prime Minister should convene a meeting of the leaders of the various parties to see whether we can gain consensus about the composition. Yes, I agree with hon. Members who have argued that the terms of reference should be determined not by the party leaders, but by the House.

I hope that on such a fundamental point of principle, this could be the one occasion when we can throw aside all past practices and stop the Whips rushing round for fear of the defeat of the Government, leaning on individual Back Benchers and trying to drag them through the Lobby. On the principle of good governance, I hope we can put party politics to one side and seek a consensual

position across the House. As others have said, it is so important for people who have lost loved ones that we arrive at the truth and at a process in which they have confidence.

After today's debate, after what has happened in the media over the past week, and after the variations that have come forward from the Prime Minister almost daily about what the inquiry is about and how it will operate, all confidence has been lost. To restore that, we need to start again. I repeat the request of my hon. Friend the Member for Thurrock. This is the last hour that we have to restore the credibility of the House and give some credibility to the process of examination of the issue of Iraq. I appeal to Ministers to withdraw the Government's proposals. Whether by accepting the Opposition's motion or not, the Government should say tonight that they will start again, involving all parties in an open and properly transparent process of arriving at a new inquiry that will have the confidence of the House and the country.

5.58 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I agree with the burden of the arguments made by the hon. Member for Hayes and Harlington (John McDonnell) and the arguments that have come from all quarters of the House.

My hon. and learned Friend the Member for Torridge and West Devon (Mr. Cox) made a compelling case as to why he should be counsel to the inquiry. I know that his bag is full and his commitments are heavy, but he enunciated a principle that is at the heart of parliamentary democracy. This is a House of debate and of a Government making reasoned arguments and, by and large, trying to win an argument. We have seen chaos over recent weeks.

My own dilemma has been reflected by others. I also voted for the war. That was against the advice of many friends in the defence industry, those who have some connections with intelligence, those who write for the newspapers, and colleagues in the House and elsewhere. Yet I disregarded their advice, because I was confronted with a Prime Minister who assured me that the war was necessary to the national interest. Why should I suspend my own judgment? I am normally the most critical of individuals. Why was I showing deference to a proposition put forward by a Prime Minister?

I am old enough to remember Eden. When I was a boy in the combined cadet force at my school, we marched when Suez happened, to show our patriotic fervour. Within months, Eden was discredited and, unfortunately, health meant that he left for the country for a longish period. In Eden, we had a Prime Minister who lied to this House, according to Edward Heath, who in a broadcast said, "He knew he had made a lie on the Floor of the House over the events surrounding Suez." Mr. Heath was asked, "What did you do?" He replied, "Well, I got on with it, didn't I?" That is what has happened to this House: too many of us get on with it. That is our duty: to support the Government with whom we were elected or the party that, as a consequence of our election, becomes the Government.

My hon. and learned Friend the Member for Torridge and West Devon is in my mind, but was it not Denning who said, "However mighty the citizen, the law is mightier still"? That is what is behind the construction of the proposition before us—constructed not by this House, incidentally, but by the Executive on the advice of Whitehall, presumably. The Government's proposition is designed to ensure that no one can be found culpable and suffer the consequences of—how shall we put it?—misadvising whatever committee comes into existence.

Perjury is an awful threat, and the consequences of perjury are dramatic. A Cabinet Minister from this House perjured himself and went to prison. That is the jeopardy if anyone should mislead a properly founded inquiry with an oath sworn on it and the prospect of retribution if candour is not employed before its inquisitors. That concept is terribly important.

We can see how the central question of the oath is dealt with on the Order Paper, and others have adequately referred to it. The Government's proposition is almost derisory. Its proposers, including the Prime Minister and the Foreign Secretary, want

> "the chairman of the inquiry to consult party leaders and chairs of the relevant parliamentary committees on the scope for taking evidence".

From the Order Paper, one of the central questions for the Secretary of State is: what is that "scope" for taking an oath? Ministers must have questioned, and been advised on, that central proposition, but earlier we saw the Foreign Secretary, in that wonderful, elegant and nonchalant way, dance away from the question—all the time. It was about the scope, and people should inquire, ask around and find out. The Government do not know? Of course they know. Those are the deceits that follow from propositions that are foisted upon this House by the Executive on the advice of Whitehall. I have no idea what the advice in Whitehall was, but I do not doubt that Whitehall would have asked itself the question and advised the Government that the decision about whether evidence would be on oath or not had implications.

That is why this matter is a struggle for this Chamber—we, as elected representatives of the people, checking and holding to account a Government. Since I voted for the war, I have noted and shared some of the emotions of other Members. Events have moved on, and we have had the inquiry into the circumstances of the death of Dr. Kelly. What a revelation! There were all the e-mails. Who were they from? Alastair Campbell to John—now, Sir John—Scarlett, the head of intelligence. The Prime Minister's special adviser also said that the contents of one memorandum—the dodgy memorandum—did not seem to lead to the conclusion. What conclusion? The conclusion to go to war. It was altered. We know that from the Hutton inquiry and from the silence of the Foreign Office—the dog that did not bark in the night. There are no e-mails coming from the now Lord Chancellor—the lord high panjandrum—to inquire about intelligence. There is MI6, too. What about the Ministry of Defence, the Department at which the former Chief Whip of the Labour party was then Secretary of State? The defence intelligence unit was querying what the single source was.

Here am I, having taken the word of a British Prime Minister, seeing unravel the very props with which I reinforced my vote. I want to know, in a proper and full inquiry, the circumstances surrounding how we went to war. I want to be able to reconcile in my mind the contradictions between, "I know nothing about the circumstances surrounding the death of Dr. Kelly," and,

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"I am responsible for all these matters." That was the then Prime Minister in front of Hutton and in conversation on an aeroplane. When I asked the then Prime Minister about the issue on the Floor of the House, he said, "Oh! We must wait until the outcome of the Hutton inquiry." Did Hutton answer the question? Did he reconcile the two seemingly contradictory statements? Not a bit of it.

I want an inquiry, as does every Member who is really serious about the business of the House and our representative function. It should explicitly look into the matters of concern affecting a matter of great public policy—going to war. As the Prime Minister tolls out the lives of others who have been sent to Iraq, we are tolling our own bell. We need no servants to inquire; we should be the dynamic in the process of establishing the appropriate form for an inquiry.

6.6 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): As I look around the Chamber, I see that I am probably the junior Member. Today Members have made some of the most powerful and incisive speeches that I have heard in the more than three years I have been here, and that shows the importance of the decision to go to war with Iraq. I have considered why I came to this House, and the main reason is that I could not get 55,000 people into the Chamber. So I have come on their behalf, to express their views and concerns.

I fully understand that the Prime Minister cannot visit supermarkets or pop down the pub, as some of us can, to hear what constituents say on the street. But I cannot accept the fact that the policy of the Government is being made by people who are not elected to the House. The Government came here and made a statement on the Iraq inquiry, which they said would be in private, and someone unelected then changed the mind of the Prime Minister. That cannot be right.

We have waited six years for an inquiry. None of us, inside the House or outside it, criticised the armed forces once war was declared, and rightly so; we have supported them and should continue to do so. However, the inquiry has been on the books for a considerable time. For the sake of a few more days, we must hold fire and allow the House to make the decision on the composition, remit and powers of the inquiry. If we do not, its very legitimacy will be lost. That legitimacy is needed to put at rest the minds of the families of those who have been killed and injured, and for the sake of the hundreds of thousands of Iraqi people who died during the war. We must make sure that the inquiry has the legitimacy of public debate.

Within that debate, we understand that some things—they should be the exception—might have to be discussed and considered in private. But the vast majority of the debate must be held in public. The people of this country have rightly expressed their anger and concern, given how the expenses issue has blown up in the press. But I would rather that the press had a field day with a public inquiry than made things up because the inquiry was held in private. We need to be open and transparent, and we must achieve that through the House.

Considering why we went to war is the primary reason for the inquiry. There is no doubt about that, and we have heard it said many times this afternoon. That must be the main focus of the inquiry, but many of my constituents are concerned also about the strategy of the war and the fact that we had no exit strategy. We did not really know how we would leave Iraq, and in fact there is still a lot of answering to be done about that.

One major concern that has been expressed to me on many occasions is the equipment that has been used in Iraq, or the lack of it. That is a concern for today, not just in Iraq but in the war that we are fighting in Afghanistan, and it must be addressed.

The Hutton inquiry was held in public and reported regularly throughout the time for which it was held. I hope that that will be the case as and when we settle the terms of reference for this inquiry. There must be regular reports, and certainly having to wait 12 months for the first part of the report is unacceptable. If the Government cannot step back tonight and think again about how the inquiry will be set up, and especially about the composition of the inquiry panel, I urge all hon. Members to support the official Opposition's motion.

6.11 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to speak at the end of this important debate. Right hon. and hon. Members have made some powerful arguments, to which I hope the Government have listened. I wish to place on record my concern about what the outcome of the inquiry will be, because some basic schoolboy errors have been made in Iraq that we could learn from. We do not need an inquiry to understand where mistakes have been made, but we are now leaning on one to tell us that. I wonder why the Government are not learning some of the lessons that could already have been put into effect in other theatres of operation.

For example, we know that the justification for going to war in the first place was based on what the Americans wanted to do. General Tommy Franks was told by President Bush to make preparations for a potential war in Iraq back in November 2001, when he was in charge of the United States Central Command, having just succeeded in launching the invasion in Afghanistan. We know that the evidence of weapons of mass destruction was based on a single source, an Iraqi chemical officer who went into a German refugee camp. That was never authorised or seconded, but it ended up being translated into the claim of the existence of tactical weapons that could be used in 45 minutes and possibly hit Cyprus.

Hon. Members voted on resolution 1441, which did not allow the invasion of Iraq. It allowed us to return to a previous resolution, resolution 678, written 11 years earlier in 1990, to allow the use of force. Huge mistakes were made, and I hope that the inquiry will pull them out. We walked blindly into a war with Iraq, which turned out to be a massive distraction from another operation that had already started, in Afghanistan, which is still ongoing.

Everybody has repeated the need to learn lessons. That is the point of an inquiry, but my argument is that we know some of the lessons already, yet we are failing to recognise them. Once the decision to go to Iraq was made, I was astonished to learn—but pleased with the honesty of the right hon. Member for Birmingham, Ladywood (Clare Short) for admitting it—that there was no plan by the Department for International Development about what to do once the war fighting started.

The invasion took place in March 2003, and of course there was huge euphoria, particularly about the liberation of Basra considering what had happened under Saddam Hussein. I have had a discussion with General Robin Brims, the commander of 1 (UK) Armoured Division, who said that in April 2003 he went into the middle of Basra when the dust had settled and knew straight away that things were going to go pear-shaped. He knew that gangs would be formed and militias created, simply because there was a massive vacuum as there was no plan. He did not know what to do except watch very sadly as the security situation deteriorated.

Clare Short: Just to make this clear, I have not said that there were no plans. Detailed plans were made with the State Department, the UN and other international agencies. The hon. Gentleman is from the military. DFID and the humanitarian agencies cannot bring peace in an occupied territory—that is a military job. I do not honour the attempt to pass over to the humanitarian agencies the responsibility for the chaos after the invasion.

Mr. Ellwood: The right hon. Lady is actually making my point for me. Whose responsibility is it to make peace? Is it the military's? The military provide the security on top of the hill. Something else has to happen in the village below, however, to ensure that the reconstruction takes place, that the schools are built and that the electricity is turned on—all the things that are involved in nation building. That is not the role of the military, although I would like it to be; rather, it was the responsibility of DFID. The right hon. Lady admitted to sending a diktat to the directors in her Department saying, "Do nothing. We're not even sure that this war is legal." I admire her consistency in the matter, but it does not help anybody in military uniform being sent over the start line by this Government then to realise that once the war fighting has stopped, we do not have a plan to keep the peace. That is where things went so pear-shaped.

By 2004, the number of civilian deaths had risen to 20,000 a year and the number of UK military deaths had risen to 800 a year. By 2007, the situation had deteriorated so much that we had become part of the problem. We went from liberators to occupiers. A personal friend of mine who was leading 2nd Battalion the Rifles was made to leave Basra palace with his tail between his legs because he had become part of the problem. He had to return to the comfort of the air base, never to participate in proper patrolling again. Why? Because we did not have the plan for peace. That is the big lesson to be learned by the Government, but we do not need an inquiry to learn it. That is the point that I am stressing. I am afraid that we are making exactly the same mistakes in Afghanistan.

It should not be that we spend three weeks war fighting and six years engaged in failed stabilisation. We must look at the type of warfare in which we are now involved. It is not called warfare any more; it is counter-insurgency, and we must recognise that we are not very good at it. General Petraeus has said that it is no longer good enough simply to defeat the enemy; we have to go further and enable the local. Until we get that into our heads, we will continue to fail as we are doing.

I stress that we cannot expect the military to do that work: they are not trained to do it, nor are they equipped. We need a different type of equipment to do post-conflict stabilisation operations. As we have heard, DFID does not do that either. DFID does what it says on the tin: it tackles poverty. There is therefore a huge void that needs to be filled if we want not only to win wars, but to win the peace as well. At the moment, we are winning wars but losing the peacekeeping. Those are the lessons that we can learn without the need for an inquiry.

I hope that the inquiry looks into what Whitehall did. I would like a huge overhaul of the way in which we approach post-conflict operations. It is no good trying to get soldiers to maintain a level of security when they see the demise of the infrastructure around them, with nobody willing to step forward and do the job. It is in that fragile window of opportunity—those few weeks to months after the war fighting has finished when the dust settles—that we want to win hearts and minds.

Mr. Heald: My hon. Friend is making a powerful case, with which I strongly agree. Does he agree that it is vital to put in place a proper civil justice system, so that we do not face the sort of situation that we face in Afghanistan, where the Taliban have been left to provide the judging and resolve disputes?

Mr. Ellwood: My hon. Friend makes such a valid point. That is the level of detail that needs to be looked at. It is not just the justice system that is important, however; it is the training of the police and the armed forces. Who is doing that now? Our armed forces are doing it, because of an absence of anybody else. Let us bite the bullet and recognise that our military are in the best place to do that. Our Royal Engineers are capable of making the roads and rebuilding the schools and so forth. They are capable of showing the locals that they mean business—that they want to help and then to go home. They do not want to hang around in a conflict zone for six years and watch the security situation deteriorate.

What happened in Iraq was appalling, and I am afraid that Whitehall should take the blame for that. As the security situation deteriorated, because nobody bothered to try to fill the power vacuum, who came into Iraq? Al-Qaeda did, making its home there and making the job of providing security all the more tough. Those are the lessons. Do we need an inquiry? Yes, of course, it would help; but boy, we could have learned those lessons many moons ago. I am pleased to see the Secretary of State for Defence in the Chamber now. I stress that we need to wake up to our capability and to what we are doing. The Americans have done so, but we have not. Until we do so, we will struggle to win these campaigns after the war fighting has finished.

In the long history of British engagements, Iraq was far from being our finest hour. That was no fault of our armed forces, who can hold their heads up high. The blame falls squarely on Whitehall, which failed to plan for peace. We cannot totally blame the Americans. I am now aware that Colin Powell had 15 737s on the runway with all the reconstruction gear and an army of civil servants, but Basra was our responsibility and we failed to make the effort to make the reconstruction work.

I hope that the inquiry will exonerate our military forces of mismanaging the peace. They are feeling the blame at the moment and, although they cannot say so publicly, they are deeply angry about the demise of the

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security situation, supposedly on their watch. I hope that these blatant errors will be recognised and acknowledged by the inquiry so that lessons can be learned, although I am afraid that some of the errors are already being repeated in Afghanistan. There is a gaping hole in our post-conflict stabilisation capability, and I hope that the inquiry will expedite a desire to fix it.

6.21 pm

Jeremy Corbyn (Islington, North) (Lab): I have been present at virtually every debate on Iraq for the past seven years. I never thought that, seven years on, we would still be debating the legality of, and responsibility for, the war, and how to conduct a proper investigation into it. The image of Parliament has suffered enormously over the past few weeks—nay, the past few months. If we fudge this issue tonight and decline to hold the kind of open, public, legally based, oath-taking, subpoenaed inquiry that is required, yes, there will be a report—some kind of bowdlerised version of what happened will be produced by a group of Privy Counsellors, and everyone will go away and say, "That's fine"—but the demand for an inquiry will still be there, culpability will still be sought and the responsibility will still rest on those people who took us into the conflict. Fudging the issue tonight will merely delay the debate until another day, and another day after that.

I was one of those who helped to organise the massive demonstration in 2003, and I have attended hundreds of meetings all over the country against the invasion of Iraq and the legality of the war. The 1 million and more people who came to London on that day in 2003—and the millions more around the country who attended local demonstrations, wrote to their MPs, sent e-mails, signed petitions or simply expressed an opinion against the war—felt very let down by Parliament on that occasion. They also felt very let down by the political system, and a whole generation of young people have now been radicalised to question the effectiveness of this place and to wonder what is the point of a political system that can take us into a war that turns out to be illegal and then blinker its eyes to the consequences. We need to take some serious decisions tonight.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Like me, my hon. Friend was on that great march in 2003. Does he agree that part of the disillusion with the political system stems from people's sadness and bitterness that so many people could have been out on the streets of London that day and yet be ignored by the political establishment?

Jeremy Corbyn: Absolutely. My Friend gets that message about Iraq in her constituency, as every Member does, and it simply will not go away. Many Members—on this side of the House and on the Opposition Benches—publicly regret the way they voted on that occasion, and many, many more do so privately. They know that they were told falsehoods in the lead-up to the war, and they have also seen the consequences and the costs of it.

The Prime Minister of the day, Tony Blair, said in terms in the House that this war was about removing the weapons of mass destruction from Iraq. A short time later, he, the then Foreign Secretary and others were involved in ensuring that Hans Blix and Mohamed el-Baradei were not allowed back into Iraq to continue the process of inspection and disarmament that they were so effectively carrying out at that time.

The Prime Minister also said in a broadcast the day after the vote in Parliament that this war was about getting rid of Saddam Hussein and regime change. George Bush, on the other hand, was relatively straightforward in that he said it was always about regime change. They cannot have it all ways and there should have been honesty towards us in that respect.

I use the figures carefully, but well over 500,000 Iraqis have died since 2003. The living standards of many are no better. Instability in many cases is far worse, and I say that not as somebody who was ever an apologist for or defender of the Saddam Hussein regime. Indeed, there is plenty of recorded opposition from me and some other Members to arms sales to Iraq in the 1980s.

We have spent billions of pounds of UK public money on this war. We have lost 179 soldiers. Many more have been seriously injured and traumatised by the experience. During the activities of the Stop the War Coalition, I have had the good fortune to meet many military families who have joined Military Families Against the War. They tell in graphic detail what it was like to lose their son or daughter, how their son or daughter has been badly injured and traumatised by this event and how angry they feel at how they were led into this situation.

The legality of war is an interesting concept; the idea that going to war can be legalised is itself an interesting concept. Nevertheless, there is such a concept and it revolves around the UN charter, a real and credible threat to an individual country, and the UN itself. If resolution 1441, as we were told later, gave us the authority to go to war, why did the Foreign Secretary and others put such great effort into getting a second UN resolution that was then not possible? The Secretary-General of the United Nations said in terms at the end of the conflict that he believed the actions to be illegal.

We must look now to what an inquiry can do. A week ago, the Prime Minister announced in the wake of the famous parliamentary Labour party meeting that there would be an inquiry on the war in Iraq. I thought, "Good news, at last a real change. Let's have an inquiry." We would have been better off having no inquiry whatever than what we were presented with a week ago—a private inquiry of Privy Counsellors sitting around together.

The Government have made concessions in saying that some of the inquiry will be held in public, but the idea that the chair of the inquiry should consult on the terms of the inquiry with people who themselves may be subject to that inquiry seems a little wide of serious and strong inquisitive action on the whole process and the war in Iraq.

Mark Durkan: My hon. Friend refers to the chair of the inquiry, who has form. In Northern Ireland, he was used to report on the security implications of the Castlereagh inquiry. Then we had a classic exercise in misdirection, because that report had nothing to do with the events of the break-in, what lay behind it or anything else. It was used as a vehicle for an ulterior agenda to change intelligence policing in Northern Ireland and break the Patten model for policing. Sir John

Chilcot, if he was a business, would not be in "Yellow Pages" under headings such as "Independent" or "Challenging".

Jeremy Corbyn: I think the Member for Foyle is telling us in the vernacular that the chairman of the inquiry has form in this matter.

Governments set up inquiries for two reasons: either to cover something up or to get to the truth. I suspect that this inquiry is all about diversion and ensuring that we do not get to the questions of culpability or the details of how this decision came about and why Parliament was presented with the information that it was.

I shall conclude with this point, as my time is almost up. Parliament can make a decision tonight to ask the Government to come back with a better proposal. That is all the Opposition motion says. I would support and welcome that, because it would give us the opportunity to have the kind of inquiry that Members on both sides and with all points of view on the war have asked for. I suspect that we might be getting the opposite, which is an inquiry with terms of reference that allow it to operate in secret and on Privy Council rules, that do not give it the power of subpoena or inquisition, and that do not give it the power to point to the legal responsibility for going to war.

As sure as night follows day, whatever decision we make, the demand for the truth will be there and the legal process will be there. Eminent lawyers such as Philippe Sands will not give up, and I suspect that many of the protagonists in the war will at some point end up in the International Court of Justice at The Hague—not because of a process of indiction, but because those of us who believe in international law believe in its protecting us from war, not taking us to war. That is why we must get to the truth, and I hope that we get there tonight.

6.30 pm

Dr. Liam Fox (Woodspring) (Con): This has been an excellent debate, and has featured some outstanding contributions. A wide range of issues have been discussed: the terms of reference, the question of oaths, the question of public versus private hearings, the membership of the committee, blame apportionment, and the concept of an interim report.

Let me begin with developments that I think we all welcome. The scope of the committee will allow it to deal with the events leading up to the war, the conduct of the war itself, and the post-war reconstruction. That is a good scheme. The time frame now goes back to 2001, and we welcome that. If we are to believe what we have heard today, most of the committee's deliberations will now take place in public; private hearings will be held only when national security is involved.

A point on which almost all of us can agree is that—as the hon. Member for Cannock Chase (Dr. Wright) put it—this has been an object lesson in how not to set up an inquiry. The hon. Member for Newport, West (Paul Flynn), with characteristic candour, said that he was embarrassed by the bungling of the Government. The hon. Member for Hayes and Harlington (John McDonnell) said that the inquiry would be in disarray, and that if it did not command all-party support in this House it would be difficult for it to command respect in the country. There was a great deal of disquiet about what has happened.

We could have had consensus on the nature, scope, membership and terms of reference of the inquiry if the Prime Minister had engaged in proper consultation. A number of speakers drew attention to the contrast with what happened in the case of the Franks report. The Prime Minister has had limited contacts with other political leaders and Committee Chairmen. With an important issue such as this—on which there has been genuine division in the country, mirrored by division here in Parliament—consensus is all the more important, but the Prime Minister seems to have lacked the personal capability, humility and skills to seek consensus on such a momentous issue. Perhaps that is the fatal character flaw that condemns his Government to ultimate defeat.

One of the key questions that raised a great deal of passion was the basis on which evidence should be given. There was an interesting and, indeed, passionate discussion of whether it should be given under oath. I must confess that, having listened to a number of learned Members setting out their rather different cases, I am not entirely sure what the legal status of oaths would be in the inquiry as it is currently proposed. The Minister should clarify that. There was widespread concern—including that expressed by the hon. Member for Thurrock (Andrew Mackinlay) and my hon. and learned Friend the Member for Torridge and West Devon (Mr. Cox)—that unless evidence was given under oath, the credibility of the inquiry itself could be fatally undermined. Having heard strong feelings in the House, what do the Government intend to do? They have changed their minds on a number of other issues over the past nine days.

On 15 June, the Prime Minister said, on the issue of public and private hearings,

"evidence will be heard in private. I believe that that will also ensure that evidence given by serving and former Ministers, military officers and officials is as full and candid as possible."—[*Official Report*, 15 June 2009; Vol. 494, c. 23.]

The intention was clear: it was to minimise the scrutiny in public of some of the most senior Ministers who were due to give evidence. We have now seen a U-turn—a welcome U-turn, it must be said—not least because of the motion that we tabled.

The most impressive speech was made by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), who listed a number of substantial questions that the inquiry should consider. He pointed out that many of the most politically controversial issues did not involve national security and could therefore be discussed in public, and that there was absolutely no reason other than the politics for that not to happen.

However, it was the hon. Member for Birmingham, Selly Oak (Lynne Jones) who really started to shed some light on the issue. She asked whether Sir John Chilcot had been consulted in advance of the Prime Minister's statement. The Foreign Secretary replied that Sir John had had no objection to the Prime Minister's statement, but that in the light of the Prime Minister's subsequent letter it had been decided to hold some more public hearings. That was a bullseye for the hon. Lady.

As many of these hearings as possible should be held in public, of course. The Foreign Secretary rightly said that there are always those who make up their mind in advance of the outcome and that they would describe any inquiry, public or private, as a whitewash, but the key point is that the brighter the spotlight, the more

[Dr. Liam Fox]

forensic the process and the more transparent the inquiry, the more the public will be able to make an objective decision about what they see before them; and, frankly, only fools and knaves will fear the truth in this matter.

Andrew Mackinlay: The Foreign Secretary and the Prime Minister are now petrified that, as some of the hearings will be in public, the inquiry will inevitably—and rightly, I think—run for longer, and that the members of it who have been invited under the old order of seven or eight days ago might say, "Well, I'm not prepared to give up a year or more of my life attending for three days a week." They will have to attend, too, whereas when a committee is held behind closed doors, nobody knows who is, and is not, in attendance at any given time.

Dr. Fox: The hon. Gentleman knows other Labour Members better than I do, and on this occasion I am willing to bow to his judgment as to exactly what their motives may be.

There is widespread concern about the narrowness of the membership of the committee, and particular concern about the lack of military representation. My right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) hit the nail on the head when he said that there must be someone with senior military experience in order to have credibility with the military and beyond, and my right hon. Friend the Member for East Hampshire (Mr. Mates) echoed that point in his speech.

The committee is, after all, looking into a war—its conduct, its manning and equipment, and the tactics employed. It will also have to look at the interaction between our war-fighting capability and our reconstruction capability. If it has no senior military membership, how can it fully interpret the military evidence given to it? For example, we have had inquests into the deaths of service personnel that have put the blame on the late procurement of body armour. The inference was that that occurred late because the Secretary of State at the time did not want to send a political signal that the Government had already decided to embark on war in Iraq. Few more serious charges than that can be levelled at a Minister or Government. Those issues will have to be dealt with very clearly and forensically in the inquiry, because we need to learn lessons as we are still at war in Afghanistan.

Let me give the House one other example. There are lessons that we need to learn from the events that led up to Operation Charge of the Knights in Basra about how we handled intelligence and how it was interpreted. To summarise, those who were there say that, ultimately, the decision was that we were "in Palermo, not Beirut"; in other words, we were dealing with criminality rather than insurgency. We know, however, that the intelligence coming upwards was that it was an Iranian-inspired, religious-driven insurgency, so how did we come to the conclusion that we reached? How did we get ourselves into that corner? Was it the result of a failure to interpret intelligence? If so, we must be very concerned about that for Afghanistan. Or was there in any way some interference with the process, so that the conclusion that was reached was the one that was most favourable to the Government at the time? These are very serious questions, because they affect the well-being of our armed forces currently in theatre.

My right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) made an impassioned plea for there to be one or more political figures on the committee. As he said, it was politicians in this House who voted to go to war in Iraq, so we are intrinsically involved by our own actions and decisions. It would at the least be of benefit to have senior figures on the committee who understand how government works and how decisions are taken, if the committee is to make a proper evaluation of the evidence.

We were told that no MPs would be on the committee because we would be partisan. As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said in his opening speech, the members who have been named already are hardly disinterested bystanders. Sir Lawrence Freedman has written extensively on the war in Iraq, and Sir Roderic Lyne has not only commentated on the war but was involved in the efforts to secure a second United Nations resolution ahead of the war. These are not non-partisan, disinterested figures. If they are not, why are Members of Parliament being excluded from the process, when we are the ones who carry the can for the decision that was taken by the vote?

There was a lot of debate about whether we should have an interim report, and there is a widespread belief that the timing of that report is designed to minimise adverse comment about current or former Labour Ministers during a general election period. As the right hon. and learned Member for North-East Fife pointed out, this Government and Prime Minister seem incapable of distinguishing between Government embarrassment and the national interest. There is no reason why we cannot have an interim report or reports, depending on how it is carried out. The House needs to be given an assurance tonight that the committee will be able to issue such reports during the course of its deliberations, if it believes that it is in the public interest to do so.

The other issue that emerged today and surprised many of us was the question of apportioning blame. The Prime Minister said on 15 June:

"The committee will not set out to apportion blame".—[*Official Report*, 15 June 2009; Vol. 494, c. 24.]

Many Members, on both sides of the House, asked, "Why not?" If a distinguished group such as that which will carry out the inquiry comes to the conclusion that political or policy failures occurred, and that individuals had culpability, by what possible sense of justice or decency could the Government set the terms of reference in a way that delivers no blame, even if blame is justified? Today the Foreign Secretary gave us a new line, when he said that the inquiry could praise or blame anyone it likes. That is another U-turn, and one for the Minister to confirm when he speaks.

Two things will stick in my mind from today's debate. The first is that in a debate of such momentous importance we reached a point at which there was no Minister on the Front Bench. That was hugely disrespectful to the House on an issue on which it is trying to hold the Government to account.

Secondly, and perhaps more importantly, from the opening speech by my right hon. Friend the Member for Richmond, Yorks, a single common thread has run

through the debate. It was well expressed by the hon. Member for Cannock Chase and it echoed from Carmarthen, Billericay and Torridge and West Devon. It was that this House should have ownership of the terms of reference of this inquiry, not the Prime Minister. That point cut across party politics and it gave voice to a growing belief that this House has been neutered by Executives of both colours over a period of time.

This should be a preliminary debate, because we should have a commitment that we will have a further opportunity to discuss this issue on a substantive motion setting out the terms of reference of the inquiry. Whether that commitment is forthcoming or not will determine not only whether many Labour Members will vote for the motion, but whether the Prime Minister's much trumpeted transparency is real. Or has he learned nothing from the serial own goals that seem to be the hallmark of his premiership?

6.43 pm

The Minister of State, Ministry of Defence (Bill Rammell): We have had an exceedingly good debate. It is clear that Members in all parts of the House have genuine concerns and convictions on this subject, whatever view they take.

Earlier today, my right hon. Friend the Foreign Secretary set out—rightly, in my view—why we are having an inquiry into the Iraq war and why we believe that Sir John Chilcot and his committee have the remit, the support and the authority to fulfil that objective. Let me be clear: if we are serious about learning lessons from the Iraq war, we need an independent, strategic review to be conducted with full access to Government documents—

Andrew Mackinlay: Yes: independent.

Bill Rammell: As my hon. Friend says, the inquiry needs to be independent, and, in the way that it is structured, it will be independent. It will have the force of that independence and it will get at the facts. That is what we propose. It is not about indicting individuals, but about understanding collectively what went right as well as what went wrong, and ensuring that we all learn lessons—Government, Parliament, the armed forces, police and development and humanitarian experts alike.

Dr. Fox: The Minister says the inquiry is not about indicting individuals. The Foreign Secretary said that the committee can praise or blame who it likes. Will it be able to apportion blame to individuals?

Bill Rammell: I shall deal with that point directly. I assure the hon. Gentleman that he will get a response.

In the time that I have available, I shall respond to as many of the points that have been made as possible. Let me start with those made by the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague). I listened seriously and intently to what he said. His speech was long on critique, but short on substantive differences with the Government on where we are today. He acknowledged that, since a week ago on Monday, the Government have consulted; he said that we had listened and that the outcome was what he had been calling for. If the accusation is that, as a Government, we have listened and moved, I plead guilty. I make no apology for saying that. I say that because the inquiry matters. It is crucial that we get it right. It was therefore right, in my view, that we listened to the views and concerns that were being expressed. I want to leave no Member in any doubt about whether we have listened.

The right hon. Gentleman also stated his view on an interim report. Sir John Chilcot has made it clear that he does not rule that out, but, to quote what he said in his letter in response to the Prime Minister:

"the causes and effects of particular phases of these events cannot simply be divided up so as to separate clearly one period from another."

Nevertheless, Chilcot is not ruling an interim report out, and nor are the Government. There is, however, a genuine difficulty that should be overcome.

Mr. Cox: What has the Minister to fear from submitting proposed terms of reference to this House on a substantive motion for full debate and scrutiny? Will he answer that question?

Bill Rammell: I am making it clear how we have listened and responded, how the inquiry will be conducted and how the views that have been expressed have been addressed.

The shadow Foreign Secretary also accused us of prohibiting the apportionment of blame. I do not think that that is the case. We have given the inquiry the widest possible terms of reference and the committee will decide for itself what issues to focus on. The Prime Minister has made it clear that this is not about civil or criminal liability, but beyond that, it is a matter for the inquiry to decide when it comes to write its report.

Mr. Heath: The hon. Gentleman is saying what the Prime Minister made clear. What he made clear on 15 June is that

"The committee will not set out to apportion blame".—[*Official Report*, 15 June 2009; Vol. 494, c. 24.]

Those are the words of the Prime Minister, so how can the Minister say that the Prime Minister did not intend that to be the outcome?

Bill Rammell: There is a problem in our political system. When Governments listen to the concerns that have been expressed to them, respond to them and alter their actions accordingly, they are criticised for inconsistency. I think that it is right in the circumstances that the Government have genuinely listened to the views that have been expressed and responded to them. That is what we are trying to do.

Andrew Mackinlay: What about the oath? Answer the point about the oath.

Bill Rammell: I will come on to the issue of the oath.

Mr. Hague: Can we be absolutely clear, for the avoidance of all further doubt, that the Prime Minister's statement, quoted a moment ago by the hon. Member for Somerton and Frome (Mr. Heath), that the inquiry would not set out to apportion blame is no longer operative and no longer part of Government policy?

Bill Rammell: There has never been a ban on what the inquiry can consider. Compared with any other inquiry, this one has one of the widest remits possible. It will be able to consider all those issues.

Mr. Jenkin: Will the Minister give way?

Bill Rammell: Let me make some progress, then I will give way.

I ask those of my hon. Friends who might be considering voting against the Government to look at the Opposition's motion and our amendment. There is very little difference between the two. The only substantive difference—we are both now talking in terms of openness—is that the Opposition call for a wider and more diverse membership for the inquiry. There are arguments for and against that. I ask my hon. Friends whether that difference is worth defeating the Government this evening. I do not believe that it is.

On the question of the oath, I understand the House's concern. That is why the Prime Minister asked Chilcot to look at the matter. In his letter of 21 June, Chilcot said:

> "I will indeed, as you suggest, examine how best, given the non-judicial nature of the inquiry, a formal undertaking can be given by witnesses that their contributions will be complete, truthful and accurate".

It is clear that the Prime Minister understands the concern and that Chilcot gets it and is seeking a way to deliver. I think that we should support him on that.

Andrew Mackinlay: But there is no way to deliver that. The Prime Minister knows that, Chilcot knows it and anyone in this House with a bit of brain knows it too. Without a statutory base, there is no way that the oath can be administered so that a person who abrogates it commits perjury. The Minister knows that, I know that, so take it back.

Bill Rammell: With the greatest respect, I must tell my hon. Friend that the problem with a statutory judicial inquiry, based on the experience that we all know, is that it would take years. It would involve legal representation for every witness and cost hundreds of millions of pounds, and it would not get to the answers that people are looking for.

Sir Menzies Campbell: If the House resolves to give the inquiry the authority to compel witnesses and to put them on oath, that is exercisable against any witness. Why is the House not being asked to provide that safeguard, so that the inquiry commands public confidence?

Bill Rammell: In all the debates that we have had on this matter in recent months, the Franks inquiry has been cited as the model for getting to the heart of these matters. That is certainly what the Opposition argued, but that inquiry was not conducted with witnesses under oath. No one has argued either plausibly or persuasively this evening that the absence of the oath prevented that inquiry from getting at the truth. Nevertheless, we have asked Sir John Chilcot to look at the matter.

Dr. Tony Wright: I think that we are making unnecessarily heavy weather of this. We have made enormous progress and consensus is within our grasp. All that my hon. Friend the Minister has to say is that, having learned the lessons of the consultations with Sir John Chilcot, he or the Foreign Secretary will come back to the House to announce the formal terms of reference for the inquiry and how it will be conducted. If he were to say that, and those points were to be incorporated in a substantive motion, he would carry the whole House with him.

Bill Rammell: I know that my hon. Friend is not driven by partisanship on this issue, and he makes a very reasonable case. We have to vote this evening on the motion before us, but we will report back to the House once those consultations and deliberations have taken place.

I turn now to the arguments advanced by my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews). He made some very serious accusations about the Government's conduct in the run-up to war, saying that the Government had deliberately misled and deceived the House. I was a Foreign Office Minister during the run-up to the war. I was not looking at the dossier, but I did look at the raw intelligence almost daily. I was persuaded by that to the extent that my biggest fear as we went to war was that chemical weapons would be used on our troops in Iraq. I would not have reached that conclusion unless I found the evidence persuasive.

The conspiracy theorists say that this was all a plot and that we misled people. Yes, the intelligence on which we formed our views was wrong, but the intelligence of every advanced intelligence agency in the world—even in those countries opposed to the war—reflected the same view and conviction.

Mr. Duncan Smith: May I return the Minister to the central issue? It is not about the war itself, but about how we inquire into it. Whether one is in favour of it or not, the reality is that the Minister must come back to the House with a substantive motion, as the hon. Member for Cannock Chase (Dr. Wright) said. Sir John Chilcot could be told to do everything that we have described, but is it not important the he gets a vote from us? Does it not matter to him whether the inquiry gets the endorsement of the House of Commons?

Bill Rammell: Over the past 10 days, we have genuinely listened to the views and criticisms expressed. We have rightly moved, and Members now have an opportunity to make a judgment on that. That is why we are having a vote, and I urge Members to do so.

The right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) said that we did not consult the armed forces. That is emphatically not true. The Chief of the Defence Staff, as the head of the armed forces, was consulted and was content with the form of the inquiry.

Sir Malcolm Rifkind: The Minister says that the Government have been in listening mode and that they want to go along with the armed forces, so will he now accept the overwhelming view on both sides of the House that someone with a military background should be a full member of the committee of inquiry? If he is not prepared to accept that, will he explain why not?

Bill Rammell: Because I believe that there is sufficient expertise on the committee of inquiry. Sir John Chilcot has made it clear that some military experts will come forward both to give advice to the committee and to question witnesses. If we put that alongside the expertise and experience of the members of the committee, I believe that we have a basis of a way forward.

In conclusion, the inquiry we propose closely matches what the Opposition and many hon. Members have asked for. The Opposition have consistently called for an independent Franks-style inquiry. The inquiry we propose is modelled on Franks, but it goes further. The Opposition have called for Parliament to have the opportunity to debate the findings of the inquiry, which is precisely what we have proposed. However, the Prime Minister has rightly granted significant discretion to the chairman of the inquiry and has specified that the inquiry should be conducted in a way that delivers maximum candour, openness and efficiency, and maintains full public confidence while avoiding damage to national security. The Prime Minister also made it clear—rightly, in my view—that Sir John and his colleagues should be able to decide how best to achieve that.

Mr. Jenkin: Why should the Government, and not the House, decide?

Bill Rammell: The House has the opportunity and the right to decide this evening.

Having started on the basis—*[Interruption.]*

Mr. Speaker: Order. The House must come to order. I know that tempers are running high and feelings are strong, but the House must come to order.

Bill Rammell: Having started on the basis that we did, the Prime Minister and the Government, as I have said, have rightly listened to arguments about hearing evidence in public. That is why the Prime Minister asked Sir John Chilcot to consider evidence being heard in public, and Sir John has now stated that as many of the proceedings as possible will be held in public. We strongly welcome that. That has been the major point of contention in the debate of the past 10 days, and the Government have listened and moved on it, so I urge Members to support us.

A number of Members have asked whether the inquiry will have access to all Government papers. I can confirm that that will be the case, to ensure that we get to the bottom of the matter. The inquiry has as wide a remit as possible to enable it to get at the facts. The inquiry is tasked to look at the totality of our engagement in Iraq over an eight-year period, and it has a far broader remit than any remotely comparable inquiry.

As I said earlier, this is not about indictment, although if blame is to be apportioned, it will be. The fundamental issue before the House, and before the inquiry, is that it is crucial to the future conduct of our operations in Afghanistan and elsewhere that we genuinely learn the lessons from the conflict in Iraq. I believe we have the ability to do that.

The Government have rightly listened to the criticisms and the views that have been put forward. We have shifted, and I urge Members to support us in the Lobby.

Question put (Standing Order No. 31(2)), That the original words stand part of the Question.

The House proceeded to a Division.

Mr. Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 260, Noes 299.

Division No. 155] **[6.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Galloway, Mr. George
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan

Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Wright, Jeremy
Yeo, Mr. Tim
Younger-Ross, Richard

Tellers for the Ayes:
Bill Wiggin and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara

Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, L[illegible]
Ward, [illegible]
Watson, [illegible]
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Noes:
Mr. John Heppell and Steve McCabe

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)), That the proposed words be there added.

The House divided: Ayes 305, Noes 251.

Division No. 156] **[7.19 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David

Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffett, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Ayes:
Steve McCabe and Mr. John Heppell

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Flynn, Paul
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Galloway, Mr. George
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian

Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Younger-Ross, Richard

Tellers for the Noes:
Bill Wiggin and James Duddridge

Question accordingly agreed to.

Mr. Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved,

That this House welcomes the announcement by the Government of a wide ranging and independent inquiry to establish the lessons to be learnt from the United Kingdom's engagement in Iraq, which will consider the run-up to the conflict, the military action and reconstruction; recognises the importance of allowing the families of those who gave their lives in Iraq to express their views about the nature and procedures of the inquiry; notes the Prime Minister's request that the chairman of the inquiry consult party leaders and chairs of the relevant parliamentary committees on the scope for taking evidence under oath and holding sessions in public; and commends the proposal by the chair of the inquiry to hold as much of the proceedings as possible in public without compromising national security or the inquiry's ability to report thoroughly and without delay.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

Environmental Protection

That the draft Environmental Permitting (England and Wales) (Amendment) Regulations 2009, which were laid before this House on 13 May, be approved. *(David Wright.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 1 July (Standing Order No. 41A).

Motion made, and Question put forthwith (Standing Order No. 118(6)).

Limited Liability Partnerships

That the draft Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009, which were laid before this House on 18 May, be approved. *(David Wright.)*

Question agreed to.

Mr. Speaker: With the leave of the House, we shall take motions 4 to 11 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

Tribunals and Inquiries

That the draft Transfer of Functions of the Consumer Credit Appeals Tribunal Order 2009, which was laid before this House on 1 June, be approved.

That the draft Transfer of Functions (Transport Tribunal and Appeal Panel) Order 2009, which was laid before this House on 1 June, be approved.

That the draft Transfer of Functions (Estate Agents Appeals and Additional Scheduled Tribunal) Order 2009, which was laid before this House on 1 June, be approved.

International Immunities and Privileges

That the draft European Organization for Astronomical Research in the Southern Hemisphere (Immunities and Privileges) Order 2009, which was laid before this House on 1 June, be approved.

Family Law

That the draft Child Support Collection and Enforcement (Deduction Orders) (Amendment) Regulations 2009, which were laid before this House on 3 June, be approved.

Defence

That the draft Armed Forces, Army, Air Force and Naval Discipline Acts (Continuation) Order 2009, which was laid before this House on 13 May, be approved.

That the draft Armed Forces (Enlistment) Regulations 2009, which were laid before this House on 5 May, be approved.

That the draft Armed Forces (Part 5 of the Armed Forces Act 2006) Regulations 2009, which were laid before this House on 19 May, be approved. *(David Wright.)*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, in respect of the Parliamentary Standards Bill, motions of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time. *(David Wright.)*

Taxi Drivers (Assault)

Motion made, and Question proposed, That this House do now adjourn. *(David Wright.)*

7.33 pm

Mr. Brian Binley (Northampton, South) (Con): The debate provides me with an opportunity—*[Interruption.]* After you have been congratulated again by the Members who are at the Chair, Mr. Speaker, the debate provides me with the opportunity to wish you well. I understand the congratulations, and I wish you well in your very difficult task and recognise the courage that you have displayed in taking it on. My job tonight, however, is to talk about assaults on taxi drivers and the need to protect them further than we might have done so far.

I set the scene by pointing out that violence against taxi drivers has increased sizeably over the past decade. To be fair to the Government, they have recognised that on a number of occasions. I might add, however, that the increase is linked—there is now some evidence of the linkage—with the rise in late-night drinking in our major town centres, given the unsociable hours that taxi drivers work and the fact that people come out of clubs at 3 or 4 o'clock in the morning and then spend perhaps another half an hour in the kebab house before seeking a taxi. Those two factors are important in the increase in violence.

I do not need to tell the Minister about the vital importance of taxis to the transport industry. However, that importance is not well understood by many in local government. For instance, five or six years ago, Northamptonshire county council undertook a multi-modal study costing some £750,000. It might surprise the Minister to know that taxis were not included in that study, yet we are talking about an industry that employs 340,000 people. The latest figures to hand show that there are 71,500 Hackney cab drivers and more than 250,000 private-hire drivers. The industry makes about 700 million taxi journeys a year, which means an average of roughly 11 journeys for each member of the population. About £3 billion is spent on fares each year. We are therefore talking about a sizeable industry that plays a major role in our public transportation. It is important to recognise that.

I do not need to tell the Minister that taxi drivers are often alone with their customers in their cabs, and are therefore highly vulnerable. We need to bear that in mind quite seriously. Taxi drivers work on the front line of transportation and in the late hours, not least because no other transportation is available then. Their customers are unknown to them and they often pick them up in the very dimmest of light. Whereas the Minister and I might be able to spot an undesirable customer in the light o' day, it is difficult for taxi drivers to do that.

Taxi drivers also take home groups of more than one person. Late at night, their customers are often the worse for drink. Those are difficult circumstances for any service provider to deal with customers in. Taxi drivers carry out a vital function in some of the most difficult circumstances that we might imagine, and they pay a price. Taxi drivers are under attack. The figures are not only clear; they are quite horrifying. There were 51 murders in the private-hire and Hackney cab industry over a 15-year period, which means an average of a little over three a year. That is a frightening figure in an

industry that is about providing a service during antisocial hours to a customer base that often has no alternative. In truth, that might be a comment on our society, although it is not my purpose to talk about that this evening.

Let me give some examples of taxi drivers who were murdered. In May 2006, 37-year-old Mahmood Ahmed, a family man, was found stabbed to death on a country lane in Keighley. The post-mortem revealed that he had been hit hard on the head with a blunt instrument from behind—that is an important fact. In May 2007, in Gravesham, Kent, a 70-year-old grandfather, Gian Chand Bajaz, was attacked and had the proceeds of that evening's work stolen. The attackers then took his taxi by force, ran over him and left him to die in the street. He died in hospital, and his car was found abandoned, having been set on fire, a mile from the site of the attack. In 2005, Mr. Colin Winstone, aged 44 and from Bristol, was found dead after being stabbed outside the Old Fox Inn at Easton, Bristol. Those three cases illuminate the fact that these are family people doing an important job, who meet a violent end that horrifies us all.

In addition to murders, there are thousands of attacks. Only last month in the Halifax area, a taxi driver named Amjad Farooq, aged 35, was violently attacked. He sustained serious head injuries, was beaten unconscious, had his car stolen and was hospitalised for a considerable time. In June 2009—only this month—another driver, whose name I was unable to get, was robbed at knifepoint by three men in Burnage, Manchester. In November 2008, another taxi driver recovered at home after being struck over the head with what was believed to have been a handgun. He was attacked by two men in Normanton, Derby, who then drove off in his taxi.

Those are just three examples—six altogether, including the murders that I have mentioned—of the thousands of incidents that are inflicted on taxi drivers every year. I would like to make the point that race is a major factor in this issue. Although only one third of the trade's drivers are from our ethnic minority communities, two thirds of the attacks are on people from those communities. I know that the Minister does not need me to underline that point to him, as he is aware of it and understands the horror of that aspect of these crimes.

Sadly, taxi drivers lack faith in the justice system, and many attacks are not reported. A survey carried out in Portsmouth in 2008 showed that, of the 396 drivers who responded, 60 per cent. had been a victim of crime in the past 12 months. It also showed that 70 per cent. admitted not reporting incidents to the police, and that the most common reason for that was that they did not think the police would be interested. We need to take that on board. Rightly or wrongly, that is the general impression that people have, and we have to deal with that. We cannot afford to have a sizeable part of our community believing that the police are not interested. Action needs to be taken in that regard.

As I have said, taxi drivers do not have faith in the justice system. Equally, the evidence suggests that, in certain parts of the country, the relationship between police and taxi drivers is simply not good enough. That is a pretty disturbing indictment, yet that is what the evidence shows. I fear that we are not in a position to refute it, but we are in a position to try to do something about it.

The cost to the nation of dealing with attacks on taxi drivers is remarkably high. The estimated cost of investigating the 51 murders over 15 years was £77.7 million. The cost of each investigation of violence against a person in relation to taxi drivers was £3,036 for each attack. That is quite a lot of money but, bearing in mind the crime, it is a price that we have to pay. It is, however, a price that we would wish not to pay. I know that the Minister feels the same. If we add social security and loss of earnings, the total cost to the country over those 15 years is sizeable. I have been given a figure, but I think that it is a mistake, so I shall not read it out, because I do not want it to go on the record. A sizeable amount is involved, nevertheless, and we need to take that into account.

There is action that we can take to help taxi drivers. There is a need for automatic protection between taxi drivers and their customers. That means screens in hire cars. Screens could be purchased to stop attacks from the rear, which is where many attacks emanate from in non-Hackney cab taxis. There would be a double benefit because, sadly, there are reports of unwanted sexual approaches made to young ladies late in the night and screens would stop that happening. There are good social reasons to encourage a simple answer for authorities that give licences to taxi cabs, and it would be easy to introduce a requirement to ensure that screens were fitted in non-Hackney taxi cabs—if we were willing to do so.

In March, Mr. Bryan Roland, general secretary of the Private Hire Association, fully endorsed in an open letter Safe Shield or shield-type products in cabs for those very reasons. However, and surprisingly, some councils will not permit the use of screens. That is quite remarkable. The Minister looks quizzical, but that is the information I have. I will write to him about it, although I am glad that he was as surprised as I was when I learned of it.

Screens are an aid to cutting violence against taxi drivers, as is CCTV. In Sheffield, a local taxi company had problems with assaults on its drivers. Over Christmas 2006, it suffered 400 incidents of violence. It was so worried that it paid for in-car cameras—an expensive exercise. The result? In 2007, only six incidents occurred. What a tremendous deterrent and a 98.5 per cent. reduction on the previous year thanks to CCTV. In Blackburn, Lancashire, there were 140 crimes—one for every five such vehicles on the road. Fourteen cars were fitted with CCTV equipment as part of a pilot scheme, with council help. That increased security for drivers and passengers.

There are ways to deal with these problems, therefore, and the London Taxi Network is another. The Minister will know that 4,500 London taxi drivers signed up to Dial-a-Cab and Radio Taxis Group, which provided enhanced security. I could go on. He will also know about the Taxi Marshals scheme. It is another way in which local authorities in particular can help in this respect.

I bring your attention, Mr. Speaker, to an Adjournment debate that I held on this very subject on 1 May 2008. On the point about CCTV, I said:

"There are problems, however. The units cost between £700 and £1,000 a car, and we know that most taxi drivers are self-employed and do not have that sort of capital. I am told that the cost of production is only £80 and that the rest is maintenance and back-up."—[*Official Report*, 1 May 2008; Vol. 475, c. 547.]

[Mr. Brian Binley]

I asked whether the Government would look into that. I did not receive an answer at the time, so I hope the Minister can come back with information that would be encouraging to taxi drivers vis-à-vis the cost and perhaps with ways that we can help to encourage the purchase of CCTV cameras.

A year ago, I asked the Minister who responded to the debate about local authorities encouraging the use of screens. It might almost be in the Government's thinking to say that screens ought to be fitted as a basic requirement in non-Hackney cab taxis. Will this Minister be kind enough to come back to me on that issue?

I ask the Minister to consider ways to improve relationships between taxi drivers and the police, if only to get rid of the perception among taxi drivers that the police do not care. Perhaps the police could do a little more to protect both the safety of taxicab customers and, equally important, that of their drivers.

As I said at the beginning of my speech, I feel that the Government have a responsibility. The drinking laws changed, and the House quite properly accepted that, but that change has had results with which most other people must be unhappy. We must address the side-effects of the increasing late-night drinking in our towns and cities, which has led to more attacks on taxis.

I believe that taxi drivers seek real and meaningful answers and, perhaps, action from the Government. I hope that the Government will be able to give us some reassurance, and give the taxi drivers who serve our community in such an important way a little confidence that we may do a bit more to minimise a problem that is clearly of great import to their industry.

7.51 pm

The Minister of State, Department for Transport (Mr. Sadiq Khan): I join the hon. Member for Northampton, South (Mr. Binley) in welcoming you to your new position, Mr. Speaker. We both look forward to catching your eye on many occasions in the future.

I pay tribute to the hon. Gentleman for initiating the annual event at which he rightly holds the Government to account on the serious issue of what we are doing about the safety of taxi drivers. I think it important for him to do so. I read the *Hansard* report of last year's debate on the subject, and I have news of some of the progress that we have made over the past 12 months. In preparation for the debate, I not only did the usual things such as speaking to officials but read a couple of editions of *Private Hire and Taxi Monthly*, which includes a section in which victims of the assaults referred to by the hon. Gentleman describe what happened to them.

The debate is of interest not only to people who work as taxi and private hire vehicle drivers, but to all who are concerned with the safety of people who work in the transport sector. It is truly appalling that drivers who are, after all, providing a service for the public should be fearful about the prospect of getting through the working day unscathed, or, worse still, should have to endure abuse or violence. That is why we are keen to do what we can to help. I hope that once the hon. Gentleman has heard what I have to say about the progress made last year he will, with renewed vigour, ensure that this is an annual event, so that he can take us to task and make us go even further.

We have now published the findings of our national research on the personal security of taxi and private hire vehicle drivers. Reading the *Hansard* report of last year's debate, I noted the frustration that the hon. Gentleman experienced in trying simply to obtain an executive summary of the research. It was particularly depressing to note from that research that Asian and other ethnic-minority drivers appear to have been subject to higher levels of abuse, much of which is racist in content. It was equally depressing to note that very few such incidents are reported to the police. I shall say more about that later, but let me now pay tribute to the hon. Gentleman for highlighting the fact that a disproportionate number of victims are from ethnic minorities. There is no reason at all why they should suffer more than anyone else. No one should suffer as a result of crime, irrespective of ethnicity or faith.

Although the report has assisted our understanding of the issues, we have also undertaken a constructive initiative to help taxi and private hire vehicle drivers to enhance their own personal security. We have prepared and published guidance for drivers, in a convenient leaflet form, on measures that they can take in order to stay safe. In recognition of the differences between the trades, we published two separate leaflets, one for taxi drivers and one for private hire vehicle drivers. We distributed many thousands of copies through local licensing authorities to ensure that every taxi and PHV driver in the country could have one.

The principle underlying the leaflets is that those who serve the travelling public are entitled to do their work in safety and without abuse. The leaflets include practical advice on how to reduce the risk of violence, and also identify action that should be taken to deal with threatening behaviour and attacks. They were drawn up with the help of the taxi and private hire vehicle trades. That is an example of our consulting rather than imposing our own ideas and solutions. We have also published guidance for crime and disorder reduction partnerships on ways in which they can work with the transport industry—including the taxi and private hire vehicle trades—to help to reduce crime and the fear of crime. That includes attempting to reduce the number of assaults on taxi and private hire vehicle drivers.

The best practice guidance that the Department produces on taxi and private hire vehicle licensing is a useful tool in assisting local licensing authorities in drawing up suitable licensing policies. The hon. Gentleman referred to some initiatives, including the installation in cabs of measures to improve drivers' personal security, such as CCTV or having a screen between the driver and the passenger. The guidance urged local authorities to look into that, which is why I was surprised that the hon. Gentleman mentioned an example of a council discouraging it, and I want to investigate that and write to him about it.

We are now consulting on a revised version of the guidance. We propose that it should encourage local licensing authorities to draw up signs or notices that drivers could display in their cabs setting out what passengers can expect from drivers and what drivers should be able to expect from passengers. That is a new initiative, which we hope will appeal to local licensing authorities—and to such an extent that they will want to produce their own notices in consultation with the local trade.

We know that fare disputes are a major cause of potential confrontation between passengers and drivers—a reading of the trade journals highlights that. We would hope that the advice in the leaflets, together with any local notices that licensing authorities decide to produce, will lead to a reduction in the number of such disputes. On the subject of fares, the hon. Gentleman will be pleased to learn that we are in discussions with the Association of Chief Police Officers on ways to raise awareness of the legal position on "bilking"—the commonly used term for passengers making off without paying their fare. As a number of the hon. Gentleman's friends are taxi drivers, he will know that that is a big issue in the industry, and a source of huge tension. We hope ACPO will be able to help in this area.

I hope that the hon. Gentleman will agree that we have taken a number of actions to reduce the number of assaults on taxi and private hire vehicle drivers. However, we are not complacent, which is why it is important that he continues to hold us to account. We know that far too many drivers are still putting up with verbal, and, indeed, physical, abuse far too often—let alone the murders to which the hon. Gentleman has referred.

I believe that the key to reducing the number of assaults is effective partnership-working at local level. The taxi and private hire vehicle trades need to work with the local police, licensing authorities and community safety partnerships to highlight their concerns and to seek suitable solutions. That may lead to the funding of in-car CCTV cameras, for example, or shields between the driver and the passenger compartment, or to the deployment of taxi marshals at taxi rank hot spots. I know that Northampton has taxi marshals, so the hon. Gentleman will be aware of that.

I know that there are a number of such initiatives around the country, and I urge the trade to learn the lessons from the good practice that already exists, and also to be aware of the potential sources of funding for security measures. That could be local authority funding, community safety partnership funding or even—the hon. Gentleman will enjoy this—EU funding. We must not cut off any funding routes.

It should be borne in mind that the sort of measures that would enhance drivers' personal security might also have a beneficial effect on passenger safety. For example, a lone female at a city centre taxi rank in the early hours of the morning might appreciate the role of a taxi marshal in maintaining order at the rank, and the use of CCTV and security shields in saloon car taxis and private hire vehicles might provide passengers with an added degree of reassurance—a point made by the hon. Gentleman in his excellent speech.

I reiterate what I said in last year's Adjournment debate about violence against taxi and private hire vehicle drivers: those in that trade should report all incidents to the police and the appropriate local community safety forums. The report that I mentioned earlier made it clear that many incidents go unreported to the police, and that is a tremendous shame. I recognise that reporting incidents means time away from work, and some may fear reprisals, but non-reporting also means that the police can be unaware of the type and scale of the problems that drivers face. I accept that the police need to redouble their efforts to win the trust and confidence of taxi drivers, as they have done in other areas of our society, so that more crime is reported.

I hope that the hon. Gentleman will appreciate that progress has been made since last year, but that there is no magic silver bullet or panacea that will solve these problems. It is a terrible shame that we live in a society in which people still think that they can abuse taxi drivers verbally or physically and get away without sanction from the criminal justice system. We look forward to working further with the trade, the police, local licensing authorities, the Home Office and the hon. Gentleman to ensure that we can find solutions to some of the challenges that he poses. I again congratulate him and thank him for raising these important issues.

Question put and agreed to.

8 pm

House adjourned.

House of Commons

Thursday 25 June 2009

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Minister of State was asked—

Exeter Airport

1. **Mr. Hugo Swire** (East Devon) (Con): What recent assessment the Secretary of State has made of the adequacy of road links to Exeter airport; and if he will make a statement. [282098]

The Parliamentary Under-Secretary of State for Transport (Paul Clark): First, Mr. Speaker, may I congratulate you on your appointment as Speaker of the House? The Ministers in the Department for Transport look forward to working with you on the business.

On 6 May, the Department gave outline investment approval for £12 million towards the east of Exeter phase 2 improvements. Measures include improving the junction access to Exeter airport. This investment was agreed after assessing the transport conditions in the immediate and wider area, and reflecting proposed development opportunities.

Mr. Swire: I am grateful to the Minister for his answer. Improving road connections to the airport is all very well, but, given the Government's stated commitment to a high-speed rail network and the desire of the airport to become carbon-neutral by 2015, what additional resources can the Government make available to local councils to ensure a reduction in carbon emissions and congestion resulting from airport traffic?

Paul Clark: The hon. Gentleman will be aware that the Department for Transport's overriding goals are to deal with congestion and with climate change. We have imposed strict rules in relation to climate change, and they are monitored independently. The work that needs to be done at local level to ensure joined-up thinking on business and housing development and on transport requirements is part of the regional funding allocations process. We have more than doubled the money that is going into local transport provision.

Mr. Adrian Sanders (Torbay) (LD): The Minister ought also to consider the road network to the west of Exeter, as well as the way in which Exeter airport serves the south Devon economy and the need for investment in road infrastructure—most notably the A380 Kingskerswell bypass.

Paul Clark: The hon. Gentleman is absolutely right to say that there is always a need to look across a region to examine demand, the economy, proposed developments and the transport infrastructure. We know the importance of having a good transport infrastructure, be it for people travelling to and from work, for businesses moving their goods or for people visiting those businesses' headquarters in order to trade. That is why the Department has been undertaking processes to give powers and responsibilities to regions and local areas so that they can prioritise their requirements within a given region.

Cross-Border Transport Networks

2. **Gordon Banks** (Ochil and South Perthshire) (Lab): What recent discussions he has had with ministerial colleagues in the devolved Administrations on cross-border improvements to transport networks. [282099]

The Minister of State, Department for Transport (Mr. Sadiq Khan): My noble Friend the Secretary of State for Transport met Stewart Stevenson MSP and John Swinney MSP in April to discuss progress on the Department's work on High Speed 2 and its potential benefits for Scotland. The Secretary of State has also given evidence to the Scottish Parliament Transport, Infrastructure and Climate Change Committee and met Committee members to discuss various matters. Additionally, Ministers in the Department have met Ieuan Wyn Jones AM to discuss Welsh cross-border rail and road issues.

Gordon Banks: Mr. Speaker, may I congratulate you on your new duties?

I thank my right hon. Friend for his reply. The economic success of devolution is largely dependent on efficient cross-UK transport links. He mentioned that there have been discussions with the Scottish Executive about High Speed 2 and the prospect of a London to Scotland high-speed line, but will he do everything that he can to ensure that this turns into reality and to ensure that devolution brings economic success to Scotland?

Mr. Khan: I thank my hon. Friend for his supplementary question. High Speed 2 will report to the Government by the end of this year. We have said to the Scottish Government that the High Speed 2 company would be happy to meet them at any point, and we have also recommended that they have a representative on the relevant reference group. We believe in investment, in these challenging times, but we also recognise the benefits of a proposed route that goes all the way to Scotland, rather than stopping in Manchester, as some people have proposed.

Mark Pritchard (The Wrekin) (Con): Is the Minister aware of the sardine express? It is the Arriva Trains Wales service that goes from Wales to Shropshire, then on to other parts of the United Kingdom. My concern is that people are being crushed into its carriages, because there are often only two carriages when four are required to meet the demand on the line. If there were a sudden halt or accident, far more people would be

injured or, possibly, killed as a result of that congestion in the carriages. Will the Minister undertake to meet representatives of Arriva Trains Wales and get an undertaking from them that they will take action to deal with this, as it has been going on for far too long?

Mr. Speaker: Unfortunately, the question went on for rather too long as well; questions must be briefer.

Mr. Khan: The one thing I do not apologise for is longer trains; we need them. The hon. Gentleman raised an important point about the quality of service that passengers receive, which is not good enough on some trains. I am happy to arrange the meeting he mentioned and it would be good if he were present so that he could express and articulate the concerns that his constituents have put to him.

Mr. Eric Martlew (Carlisle) (Lab): You, Mr. Speaker, will be aware that there is no greater enthusiast for the high-speed line than myself. As the line passes through my Carlisle constituency on the way to Scotland, will the funding be a Scottish or a UK responsibility? The line starts in London and in Glasgow and meets somewhere in the middle.

Mr. Khan: I thank my hon. Friend for his really helpful question. He will be aware that the Department for Transport is responsible for cross-border franchise train services, and that we work closely with the Welsh Assembly and the Scottish Executive. The important thing is to ensure that the quality of service that passengers receive is the right one. It is also important to have proper communications between Members on both sides of the border. There are examples of good practice, but also, I am afraid, of bad practice, but I will endeavour to ensure that we learn the lessons so that the quality of service that passengers receive is seamless.

Violence Against Public Transport Staff

3. **John Robertson** (Glasgow, North-West) (Lab): What representations he has received on reducing levels of violence against public transport staff; and if he will make a statement. [282100]

The Minister of State, Department for Transport (Mr. Sadiq Khan): I deplore violence against staff. Both my father and father-in-law worked in public transport for more than 40 years, so I well understand the huge impact of physical or verbal violence on working people and their families. If we are to run an effective transport system, it is essential that staff feel safe when carrying out their duties. That is why we are continuing to work with key stakeholders to improve the personal security of transport staff as well as passengers.

John Robertson: I thank my right hon. Friend for his answer, but does he agree that overcrowding and lack of supervision are part of the problem, particularly on the railways, and that we need longer trains, less overcrowding and more supervisory staff so that the staff themselves can feel safer?

Mr. Khan: One thing we did in respect of the most recent franchise we awarded was to take the passenger experience into account. We spoke to passengers and asked them what they wanted. The issues my hon. Friend has just raised were the same issues that they raised: they wanted less crowding and they wanted to feel safer on the stations, and that has an impact on both staff and passengers. In awarding this most recent franchise, we took on board some of the passengers' wishes. I will ensure that we continue to speak not just to Members of Parliament, but to communities, so that when we award franchises, we can take into account the important points that my hon. Friend has raised.

Richard Ottaway (Croydon, South) (Con): The Minister will be well aware of the slight downward trend in transport crime, so will he acknowledge that the Mayor of London's ban on alcohol on the London underground was a contributory factor? Will the Minister also consider that as the recession starts to bite and unemployment starts to rise, that trend may well be reversed?

Mr. Khan: It pains me to do so, but I congratulate the Mayor of London on the alcohol ban. We supported him in doing that and helped with the necessary byelaws to make it work. The hon. Gentleman will be aware that crime has gone down not just on the railways, but on the tube system as well, largely as a result of the investment in more British Transport police and more police and community support officers on the tube as well. The danger is, of course, that with some parties recommending cuts, that could mean cutting those police and PCSOs, which I think would have the impact of making crime go up again.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What support can my right hon. Friend offer to the British Transport police in its work on protecting passengers in normal times as well as in its counter-terrorism work?

Mr. Khan: In my new role, I am looking forward to working with my hon. Friend in her Select Committee role. She raises a very important issue. As we know, there are record numbers working for the British Transport police and more than 3,000 community support officers. Bearing in mind London and the other potential strategic targets, she is right about the importance of the British Transport police working with the security services. I reassure my hon. Friend that my noble Friend the Secretary of State is committed, as we are in the House of Commons, to ensuring that we have the best possible and safest transport system in the world.

Lifeline Flights

4. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What recent representations he has received on the future of lifeline flights within the UK; and if he will make a statement. [282101]

The Parliamentary Under-Secretary of State for Transport (Paul Clark): The Department has received little correspondence on existing lifeline services in Scotland and Wales. There have been calls to introduce public service obligations on some domestic routes to London, although no formal applications have been received. Our policy on this subject is set out in the published guidance of 2005.

Mr. Carmichael: I am grateful for that answer, but in my constituency, which has genuine lifeline routes, there is growing concern about the increasing cost and the decreasing quality of service provided to local people since Flybe took over the franchise. Is he prepared to set up a meeting, perhaps including his opposite number in the Scottish Government and local representatives, to see how the Minister's regulatory functions and the Scottish Government's funding obligations might all be brought together to ensure that the people who need the services most get the best quality service?

Paul Clark: Let me make it clear that we continue to support the use of public service obligations as a means of helping to subsidise important lifeline services for communities such as that represented by the hon. Gentleman. Some of the issues to which he refers will be partly subject to a commercial decision-making process, but we will continue to consider how to ensure that people in such communities have lifeline services.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Lifeline services are important, and my constituents also have Flybe as the sole operator from airports within the islands to airports in central Scotland. However, anyone who books with Flybe and changes their travel plans with advance notice will not get a refund. Does the Minister not think that travellers and consumers deserve a better deal?

Paul Clark: Indeed. The Government have been committed to ensuring that passengers get a fair deal, whether on rail, buses or aircraft. Clearly, that is part of the reason for considering introducing a role for Passenger Focus with regard to airline passengers. Within the provisions that we have, we will do all that we can to ensure that passengers get the best deal. As the hon. Gentleman understands, these are commercial matters in many cases, but I undertake to consider the issues raised.

Norman Baker (Lewes) (LD): I am pleased that the Minister supports lifeline flights, but he must recognise that the cost to the passenger of some essential flights is excessive, often because there is a monopoly supplier—there is no alternative. In contrast, bargain basement prices are offered on destinations where there is competition with rail. Does he not see merit in the Lib Dem idea of a cap on the cost of essential flights from monopoly suppliers, with a surcharge on those flights that compete directly with rail, both to encourage modal shift and to help to fund high-speed rail?

Paul Clark: The hon. Gentleman well knows the Government's commitment, not only in policies and words in the Chamber, but in deeds and investment in high-speed rail, and in our continuing work on issues, some of which have been raised, such as improving overcrowding with additional rolling stock. Whereas the Lib Dems see a bottomless pit of taxpayer's money to fund schemes that are not in balance, we will do what is required to ensure a balanced transport position, and to ensure that lifeline services continue.

Mr. Julian Brazier (Canterbury) (Con): Mr. Speaker, may I welcome you to your new post?

Does the Minister accept that lifeline flights require healthy regional airports? Between higher taxes, new charges for spectrum, and now an imposed blank cheque for security costs, does he see a future for regional airports?

Paul Clark: In our aviation White Paper, as the hon. Gentleman will be well aware, we are clear that regional airports have an important role to play in supporting individuals and businesses and giving people freedom and choice. We shall support that position.

Rail Services (London/South Wales)

5. **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): What steps he is taking to improve rail services between London and south Wales. [282102]

The Minister of State, Department for Transport (Mr. Sadiq Khan): We are taking a number of steps. From 2016, passengers will benefit from new super-express trains, which will reduce typical journey times and add more seats between London and south Wales. In addition, we are considering the case for electrifying the busiest parts of the Great Western main line, which appears promising. Meanwhile, the performance of existing train services between London and south Wales has improved since we issued a remedial plan notice to First Great Western last year.

Alun Michael: May I take this opportunity to welcome you, Mr. Speaker, to the Chair, and the Minister to his new responsibilities?

When we travel by train to areas north of London, those of us who have constituencies in south Wales are quite jealous when we see the improvements that have been made on many services over the past 10 years. Will my right hon. Friend do all that he can to accelerate immediate improvements in the services to Cardiff and Swansea, as well as considering electrification of the line in the longer term, and perhaps a late-night service that would allow his constituents to enjoy the benefits of Cardiff's night-time culture?

Mr. Khan: I am not sure whether that is an invitation for a date. I accept that the train service between London and south Wales has for a long time suffered poorer performance than other First Great Western routes. I also accept my right hon. Friend's point about the experience of those who live north of London. Our analysis is assessing a range of electrification scenarios, including taking the wires to Bristol and as far as Swansea, which I know will please him.

Hywel Williams (Caernarfon) (PC): May I, too, welcome you to the Chair, Mr. Speaker, and also support the points made by my friend from the Welsh Affairs Committee, the right hon. Member for Cardiff, South and Penarth (Alun Michael)? Cardiff is one of the busiest hubs in the entire system, yet the Wales rail group has been told that approach speeds are 15 mph, which is what they have been for many decades. When the line is improved, will the Minister ensure that the signalling system into Cardiff is also improved so that speeds can increase?

Mr. Khan: That is an important point. Not only do we need to ensure that there is a new generation of super-express trains, we need to ensure that signalling improves as well. One of the things that I hope the hon. Gentleman will see over the next period is, with continued investment, an improvement in the quality of services that he and his constituents receive.

Mrs. Siân C. James (Swansea, East) (Lab): May I welcome you to the Chair, Mr. Speaker, and the Minister to his new post? As chairman of the all-party group on rail in Wales, I am concerned about the number of services to south Wales and Wales in general. Our particular current concerns are about preserving rail services at ports and docks in constituencies such as mine, Swansea, East. Will the Minister meet the group to discuss those matters?

Mr. Khan: The short answer is yes. It is important that colleagues continue to raise the concerns that those of us who do not travel to certain parts of the kingdom do not get to see. It is important that we meet people such as my hon. Friend to listen to their concerns and to ensure that the franchises address those issues.

Stephen Hammond (Wimbledon) (Con): May I congratulate you on your election, Mr. Speaker, and welcome the new ministerial team?

The Minister will be aware that the previous Secretary of State, the right hon. Member for Ashfield (Mr. Hoon), told the House repeatedly that electrification to south-west and south Wales was a priority for the Government and that they would improve services. As the Prime Minister was shown yesterday, the Government are planning to cut capital expenditure after 2010. How can electrification to improve services remain a priority for the Government in the face of those capital expenditure cuts after 2010?

Mr. Khan: May I thoroughly disappoint the hon. Gentleman, who is a friend and a neighbouring MP? We are examining in detail the case for electrifying the diesel-operated inter-city lines—the Great Western main line, which I mentioned, and also the midland main line. We will make an announcement in the coming months that will demonstrate that in challenging and tough times we are willing to invest rather than make cuts.

Mr. David Drew (Stroud) (Lab/Co-op): May I welcome you to your new role, Mr. Speaker, and congratulate the Minister on his new post? The Stroud valley line is the reserve line from south Wales, from the Severn tunnel. There is no better way to improve those services than to redouble the line between Swindon and Kemble. Will the Minister ensure that that happens as a matter of extreme urgency?

Mr. Khan: There is some good news on the redoubling of the line. My hon. Friend will be as aware as I am of the challenges in that area and will know that in these difficult times we have committed to investment rather than cuts, which have been recommended by some people.

Motorway Congestion

6. **Mr. David Heathcoat-Amory** (Wells) (Con): What recent discussions the Secretary of State has had with police forces on levels of motorway congestion following traffic accidents. [282103]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): May I inform the right hon. Gentleman that the Secretary of State has had no recent discussions with police forces specifically on motorway congestion? The Highways Agency takes managing the motorway network seriously. In the event of a serious accident, the police are supported by traffic officers to ensure that delays are minimised and motorways are reopened promptly.

Mr. Heathcoat-Amory: The Minister mentions serious accidents, but is he aware that after quite minor accidents, the police are inclined to regard the accident as a scene of crime and to cordon off long sections of motorway, causing immense tailbacks, frustration, economic loss, and motorists trying to find alternatives through small towns and along small roads? Will he have a word with the Highways Agency and the police? It is a particular problem at the Bristol end of the M5 during a busy holiday period, when the motorway is already congested. There must be a better way of dealing with those accidents, such as photographing them, getting the vehicles off the scene and getting the traffic moving.

Chris Mole: The right hon. Gentleman will be pleased to hear that I spoke to the chief executive of the Highways Agency about the matter yesterday. He informed me that a joint strategic agreement on traffic incident management has been in existence since 2006, and that one of its aims is to improve clear-up times. The police must take as long as it takes to deal with what may be a crime scene, but the Highways Agency has helped them with technology that can rapidly determine and record evidence such as the position of vehicles. As I said earlier, following the completion of police work, traffic officers take over to ensure that the motorway is open as soon as possible.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I welcome you to the Chair, Mr. Speaker, and hope that I shall catch your eye on many future occasions.

I am sure my hon. Friend is aware that one of the most congested parts of the motorway network is the M1 south of Sheffield, where a large number of accidents occur. Steps are being taken to widen the M1 between junctions 25 and 28, and consideration is being given to either widening it or introducing hard-shoulder running up to junction 34. Will my hon. Friend assure me that whatever scheme is adopted, variable speed limits will be introduced on that section of the motorway so that we can reduce congestion, ensure smoother running at peak periods and, in particular, lower the high levels of pollution around Tinsley, in my constituency?

Chris Mole: As my hon. Friend says, the combination of hard-shoulder running and the application of active traffic management is an important tool, enabling us to squeeze every drop of capacity out of our existing road infrastructure.

Mr. Greg Knight (East Yorkshire) (Con): I welcome you to the Chair, Mr. Speaker.

With the advent of new technology, more use is being made of electronic signs on motorways, especially mobile electronic signs. Why are they not deployed at motorway access points? Is the Minister aware that most of the

congestion that follows an accident is caused by new traffic entering a motorway that drivers do not know is shut?

Chris Mole: The hon. Gentleman has put his finger on the button. Technology of that kind is used increasingly throughout the motorway network to enable us to manage vehicles as effectively as possible, especially when incidents arise.

Mrs. Theresa Villiers (Chipping Barnet) (Con): I congratulate you, Mr. Speaker, and the new ministerial team.

What is the Minister's estimate of the cost to the United Kingdom economy of an hour's closure of a stretch of a key motorway such as the M25 or the M62?

Chris Mole: We know that closure imposes costs. That is why we want to respond to incidents as effectively as we can. I have already set out the approach taken by the Highways Agency, in conjunction with the police, to ensure that roads are opened as quickly as possible.

Mrs. Villiers: The Government have no comprehension of the huge cost impact of these closures. They have broken their promises on congestion again and again. In their entire term of office they have built less than 20 miles of new motorway, and they have a road maintenance backlog of 13 years. Have they not manifestly failed motorists in this country?

Chris Mole: That was a somewhat surprising response from Her Majesty's official Opposition, who once told us to vote blue and go green. It is clear that that is no longer their commitment if they talk of a massive investment in motorway building and give no indication of how they would resource it. We are investing in the nation's infrastructure, and they clearly would not do so.

Mr. Tom Watson (West Bromwich, East) (Lab): Should the police clear congestion using British-assembled vehicles? Can my hon. Friend confirm or deny the rumour that there is currently a British-assembled Mini awaiting allocation in the ministerial car pool? Will he show leadership and volunteer to use it, and will he cut through the petty bureaucracy that allows

Mr. Speaker: Order. I think that we shall have to leave it there.

Chris Mole: It is clearly for the Highways Agency and/or the police to ensure that they obtain best value for the taxpayer when purchasing vehicles. However, if my hon. Friend has any new information that he wishes to share with me, I shall be happy to meet him to discuss it.

A14 (Kettering)

7. **Mr. Philip Hollobone** (Kettering) (Con): When the Highways Agency plans to initiate (a) ramp metering at junctions with, and (b) public consultation on the widening of, the A14 around Kettering. [282104]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): It is proposed that ramp metering will be delivered on the A14 at junctions 4, 7 and 8 by spring 2011. A public information exhibition on the proposed widening of the A14 around Kettering is planned for autumn 2009. This replaces a public consultation on options as there is only one viable scheme option in this case.

Mr. Hollobone: The Highways Agency proposal is to widen the A14 between junctions 7 and 9, which is badly needed and very welcome. May I urge the Minister to ask the Highways Agency to investigate why it cannot widen the A14 between junctions 9 and 10, because under the Government housing expansion proposals, most of the new houses in Kettering are to be built to the east of the town, for which junction 10 is very important?

Chris Mole: The Government are committed to the three-lane widening in order to deliver the improved traffic flows more quickly to the A14 around Kettering, as that can be done within existing Highways Agency land. The planned improvements are based on the needs of Kettering in terms of growth and development, and as I know that the hon. Gentleman has been calling for just this sort of infrastructure investment for some time, I am sure he will welcome it wholeheartedly.

Community Rail Projects (East Midlands)

8. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent assessment has been made of the viability of community rail projects in the east midlands; and if he will make a statement. [282105]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): Community rail projects bring together local communities and the appropriate train operators. We do not expect any issues with the viability of the three main projects in the east midlands.

David Taylor: The rail renaissance since 1997 has led to peacetime record numbers of passengers, which demand some attention on the constraints on capacity. Will the Minister discuss with me the "Connecting Communities" report from the Association of Train Operating Companies of earlier this month, which identifies the Leicester to Burton line—the national forest line through North-West Leicestershire—as having a good benefit-to-cost ratio? Might we have a look at that on site in order to correct the earlier impressions of Lord Adonis, who was rather lukewarm about community rail in the east midlands?

Chris Mole: I am, of course, happy to speak to my hon. Friend about the scheme, but it is primarily a scheme of regional significance, and therefore the capital cost of the national forest line would need to be funded through the regional funding allocation. Unfortunately, the east midlands region has not seen this project as a regional priority for funding through that route, but any initial subsidy would have to be funded by local authorities for at least the first three years, although the Government would consider taking the service into normal franchise arrangements once there was a sound business case.

Mr. Graham Stuart (Beverley and Holderness) (Con): May I welcome you to the Chair, Mr. Speaker?

Does the Minister think that a community rail project could further improve the long-term viability of a reopened Beverley to York rail line, and will he accept an invitation

from local campaigners for the reopening of that line to come to our area to hear the arguments in favour of it and the benefits it would bring?

Chris Mole: As part of our general commitment to the development of the railways, we are always keen to hear of proposals, but the Government have made significant funds available through the regional funding allocation schemes, which are essentially a regional concern, and proposals do need to be prioritised through those mechanisms to ensure that they genuinely have the support of people in regions such as that which the hon. Gentleman represents.

Sir Peter Soulsby (Leicester, South) (Lab): May I ask the Minister to look again at the ATOC report to which my hon. Friend the Member for North-West Leicestershire (David Taylor) referred, and to recognise the powerful case it makes for the Leicester to Burton line? That is one of a number of similar schemes throughout the country that are not only of local significance, but also potentially of considerable national benefit. I ask him to look again at this, and to recognise that national benefit and also the need for Government investment to achieve that benefit.

Chris Mole: I can assure my hon. Friend that I have looked at the ATOC publication, "Connecting Communities", which came out this month. It looked at the opportunity to provide better transport connections for communities that have grown in recent years, but which do not necessarily have good access to the rail network, including connections on the national forest line.

Street Works

10. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of the effectiveness of the implementation of permit schemes for street works; and if he will make a statement. [282107]

The Minister of State, Department for Transport (Mr. Sadiq Khan): The permit scheme regulations were made on 28 November 2007, and came into force on 1 April 2008. No permit schemes to control works on the highway are currently in place. We have undertaken to report to Parliament on the evaluation of the first implemented permit schemes, following their first year of operation. We hope to make a decision on an application from Kent county council for permit scheme powers within the next month.

Sir Nicholas Winterton: The street works permit schemes were designed, as the Minister knows, to make utilities companies carry out work at the same time, in order to reduce congestion for the motorist, inconvenience to the pedestrian and loss of earnings for retail outlets. Since the scheme came into force on 1 April 2008, as he said, how many permits have been granted, and have they been successful?

Mr. Khan: The hon. Gentleman may not have heard my answer: none have been granted. Local authorities recognise the additional powers that they have and we hope to make a decision on Kent next month—*[Interruption.]* I hear some chuntering from the hon. Member for Chipping Barnet (Mrs. Villiers) on the Front Bench. If she wishes to speak to me afterwards, I can give her a response that is not a chunter.

Topical Questions

T1. [282118] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): If he will make a statement on his departmental responsibilities.

The Minister of State, Department for Transport (Mr. Sadiq Khan): With permission, Mr. Speaker, as this is the first of what I hope will be many Transport questions, I wish to outline briefly the priorities of the Department for Transport. The new ministerial team is committed to making progress on three main priorities. First, we want to provide extra capacity on our transport networks on a sustainable basis, to meet increased demand. Secondly, we want to move quickly, and for good, to low-carbon technologies and practices within each mode of transport. Thirdly, we want to improve the attractiveness of public transport by making it possible to make door-to-door journeys more easily, in whole or in part, by that means.

Mr. Timpson: The Minister may be aware that the Office of Rail Regulation has failed to find funding for the regeneration or rebuilding of Crewe station in this funding cycle. Although some basic alterations have recently been made, they fall woefully short of what is necessary for the proper functioning of this major interchange of which the town should be proud. Can he undertake to ask the Secretary of State to look at enabling those long overdue improvements?

Mr. Khan: I thank the hon. Gentleman for the interest he shows in the regeneration of that important part of the country. The Crewe railway gateway scheme was confirmed as a regional priority for investment in February. The Department's officials are ready to discuss with Cheshire the way forward on this scheme once the major scheme business case has been submitted. Either the Secretary of State or I will write to the hon. Gentleman to give him an update, and perhaps he can be involved in the process too.

Natascha Engel (North-East Derbyshire) (Lab): The Secretary of State, who could be called the Minister for bicycling, knows of the massive increase in the number of people choosing to cycle to work. Given the increase in the number of cyclists on roads that are already congested, what are the Government doing to ensure cyclists' safety and to encourage more people to get on their bikes?

Mr. Khan: My hon. Friend raises an important issue, and we need to ensure that more people cycle and are safe while doing so. She will pleased to learn that an announcement will be made when our carbon reduction strategy is unveiled next month, and I think she will be very pleased with some of the things the strategy says.

T2. [282119] **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): The shipping Minister is, I know, aware that late last year the Maritime Coastguard Agency was involved in, and approved, the design of bulkers for the transportation of waste meat products

from the abattoir on Orkney for disposal on the Scottish mainland. Despite that expensive effort, Northlink ferries this week refused to carry the products because of the escape of a small number of maggots on to the car deck. That refusal threatens the future of meat production on Orkney, which is an agricultural community. Can the Minister assure me that the MCA will not allow itself to be used in this way, as that poses a real threat to the future economic viability of our community?

The Parliamentary Under-Secretary of State for Transport (Paul Clark): The Maritime and Coastguard Agency's role is to act for the safety of ships and their crew and passengers. Equally, it has a responsibility under health and safety regulations for cargo of animal by-products that are liable to leak. The hon. Gentleman will be aware that last autumn discussions were held and a route through was found, which involved improvements to the containers. I understand that there has been an issue recently with maggots escaping from the trailer, and that there are one or two other issues. We will certainly ensure that the MCA is not used, and that it carries out its duties properly. We will look further into the matter.

Mr. David Clelland (Tyne Bridge) (Lab): I wonder whether Ministers have yet had the opportunity to speak to their counterparts in Holyrood about the importance of the A1 between Newcastle and Edinburgh to communities on both sides of the border, not least given its appalling safety record. Does the Minister agree that the regional funding allocation system is totally inadequate to deal with the urgent need to upgrade that road? Will he enter into discussions about bringing about a definitive plan to finance and implement urgently the dualling of the road from Newcastle to Edinburgh?

Mr. Speaker: Order. I do need briefer questions from now on.

Mr. Khan: The requirements for being categorised as a road of national importance are based on the amount and type of traffic flow on the road, and take into consideration whether traffic is redirected on to other routes. The case for the A1 north of Newcastle is not robust enough for us to consider re-categorisation, but I am happy to meet my hon. Friend to discuss this matter, because I know it is of real concern to his constituents.

T3. [282120] **Robert Key** (Salisbury) (Con): Turning to strategic rail links in the south-west, Lord Adonis told me a few weeks ago that after the Axminster loop is completed, he will reconsider the question of dualling the track between Salisbury and Exeter on the Waterloo to Exeter route. Can the Minister confirm that that is going to happen?

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I can confirm that that is actively being investigated.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): There are growing concerns about both the service to passengers on the east coast main line and the future of the franchise. I have written to the Secretary of State to request a meeting to discuss those concerns—will my right hon. Friend arrange such a meeting as soon as possible?

Mr. Khan: I have with me the letter that my hon. Friend wrote to the Secretary of State, who is happy to meet him to discuss the concerns he has raised. I know they are concerns not just to him but to his constituents, and I will ensure that the meeting will, hopefully, alleviate some of the concerns he has raised.

T4. [282121] **Angela Watkinson** (Upminster) (Con): The cost of installing and procuring a speed camera is £40,000 plus the ongoing maintenance costs, compared with only £7,000 for a vehicle-activated speed sign. Has a proper cost-benefit analysis been done of those two methods of road safety control, and will the Minister have discussions with his colleagues in the Department for Communities and Local Government to extol the opportunities to save money while maintaining road safety standards?

Paul Clark: We take every opportunity to take the steps necessary to ensure that our roads are as safe as possible for all users, and that we use everything available to us. I am delighted to tell the House that the road casualty statistics for 2008, announced today, show that the number of deaths has fallen by 14 per cent. Although that figure is now down to just 2,500, we cannot be complacent and we need to take every step possible to ensure that the roads continue to be safe, and to meet our goal of having the safest roads in the world.

Rosie Cooper (West Lancashire) (Lab): May I, too, welcome you to your role, Mr. Speaker? I am delighted to see you there.

Northern Rail, which serves my constituents, faces a 34 per cent. increase in passenger numbers—to 84 million—since being given a contract based on a steady state in 2004. Does the Minister agree that there is a pressing need for new rolling stock, because otherwise everybody will be standing on those journeys?

Chris Mole: The Department is very much aware of the pressures that passengers face on some northern train services. We hope that at some stage in the near future, we can relieve some of those pressures.

T7. [282124] **Mr. Philip Hollobone** (Kettering) (Con): The Department's 2008 road transport forecasts predict a one-third increase in vehicle traffic by 2025. How much of that is driven by unacceptably high levels of immigration, and how on earth is this country going to cope?

Mr. Khan: I have seen lots of tenuous causal links, although not one involving immigration, but I can tell the hon. Gentleman that the decisions taken by the Government mean that £6 billion will be invested in our roads that would not have been available had the Conservatives been in power.

Mrs. Madeleine Moon (Bridgend) (Lab): Two disabled constituents of mine have faced difficulty when travelling by air. One has pulmonary hypertension and was charged extra for oxygen on the flight. The other is a man with Parkinson's. Despite having assisted travel, he faced

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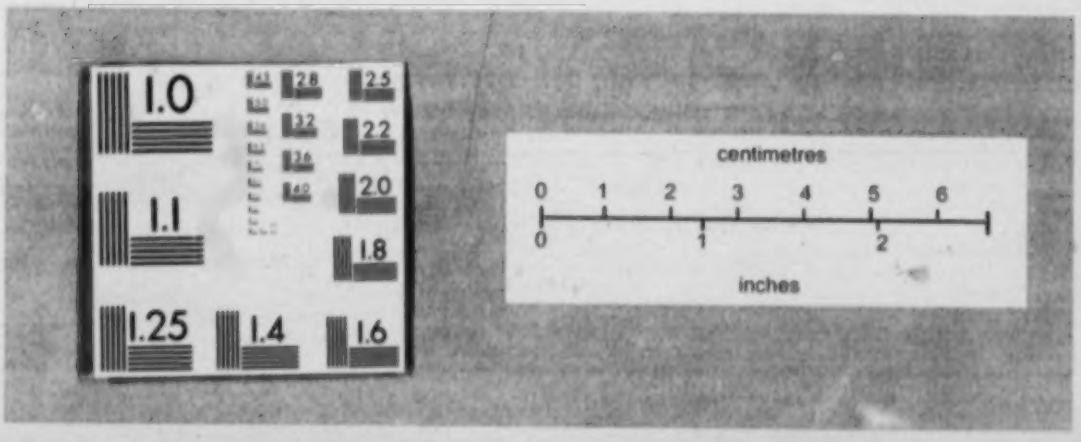

humiliating three-hour waits at Heathrow airport without access to a toilet, food, water or assistance. That cannot be acceptable: what steps can Ministers take to make sure that the airlines appreciate their responsibility for disabled passengers?

Paul Clark: At the outset, let me say that I am appalled at the examples given by my hon. Friend, which I should be more than happy to discuss with her. The provision of oxygen, whether free or for a charge, is clearly a matter for the airline operators, and I recommend that people look at their websites to see what is available before they travel. The key UK airlines provide oxygen free of charge, but I am looking forward to next week's debate in Westminster Hall.

T8. [282125] **Sir Nicholas Winterton** (Macclesfield) (Con): The Government will be aware that many country areas have huge difficulty maintaining their roads and lanes. The maintenance backlog is massive, not least because of the heavy vehicles that use the lanes. What are the Government going to do to help local authorities in rural areas maintain country lanes and roads to a proper standard?

Paul Clark: The investment going to the regions through local transport plans and other funding streams has more than doubled in the past 10 years. It is for local authorities to target that money appropriately, but rural roads are central to the new road safety strategy that is currently out to consultation. We want to focus on finding engineering and other solutions to improve safety on rural roads.

WOMEN AND EQUALITY

The Minister for Women and Equality was asked—

Gender Pay Gap

1. **Andrew Selous** (South-West Bedfordshire) (Con): On what criteria her most recent estimate of the gender pay gap in the (a) public and (b) private sector is based. [282089]

4. **Mr. David Amess** (Southend, West) (Con): On what criteria her most recent estimate of the gender pay gap in the (a) public and (b) private sector is based. [282092]

The Solicitor-General (Vera Baird): The criteria used for estimating the gender pay gap are the same for the public and private sectors. The estimate uses data published by the Office for National Statistics that show that the median hourly gender pay gap for all workers, both full and part-time, is 28.3 per cent. in the private sector and 22 per cent. in the public sector.

Andrew Selous: I am concerned that the Government continue to set such a poor example with their own staff. The *Financial Times* has obtained unpublished figures from the ONS showing gender pay gaps within the same grade of 12.5 per cent. in the Ministry of Defence and 19.5 per cent. in the Met Office. Can the Government not do better with their own staff?

The Solicitor-General: I served with the hon. Gentleman on the Work and Pensions Committee and I know that he cares about low pay, but he needs to change his party urgently. The Tories voted against the Equality Bill on Second Reading, even though it will bring in help regarding unequal pay on a gender basis. Moreover, they have just voted in Committee against business even being asked to disclose pay figures that would make the pay gap transparent, and thus exert pressure on firms to press for equality for women. I am afraid that the hon. Gentleman is a siren voice, and a lone one, from the Tory Benches. I am very glad to say that this afternoon the BBC will publish pay figures for its top 100 executives—

Mr. Speaker: Order. We need to move on, Minister. I would like to move now to David Amess.

Mr. Amess: The Minister is simply not answering the question. She has not gone into any detail about the criteria involved, and I should have thought that the Government would have more influence on pay disparity in the public sector. Will she accept my party's suggestion that every secondary school in the country should have a dedicated and professional careers adviser?

The Solicitor-General: Another forlorn and futile gesture from the Tory party. We will make progress in the public sector through the Equality Bill and the regulations on disclosure that it will put in place, which the hon. Gentleman's party voted against. In Committee, his party has systematically voted against all the provisions that would help to improve equal pay in both the public and private sectors—a particular pity, since poverty academics are now clear that the most important step to eliminate child poverty is to bring in equal pay for women, but clearly the Tories do not care about that either.

Fiona Mactaggart (Slough) (Lab): But is my hon. and learned Friend aware that the largest pay gap in Britain is in the financial services sector, where full-time women are paid 55 per cent. less than full-time men, and part-timers 39 per cent. less? As we own many of the banks responsible for that poor pay, what can the Government do?

The Solicitor-General: My hon. Friend is right. The reason she is able to quote those figures is that the Government asked the Equality and Human Rights Commission to look into the appalling pay inequity in that sector and make recommendations for the way forward. Let me assure her that when we get the Equality Bill through Committee, despite the best efforts of the Tories to block it, there will be an impact in that sector, too.

Miss Anne Begg (Aberdeen, South) (Lab): I think we have just heard a quick claim from the Opposition to put up the pay of public sector workers. In areas such as mine in Aberdeen, men generally work in the private sector in the oil and gas industries with very high wages, while women work in the public sector for much lower wages. That is why we have a gender pay gap whereby women earn only two thirds of what men earn.

The Solicitor-General: My hon. Friend again makes clear how little concern there is among the Opposition about equal pay for women. We will make an analysis this very afternoon of the BBC's top 100 executive

salaries to see where the gender pay gap is there. Transparency is hugely important—it is a pity the Tories do not understand that.

Mr. Mark Harper (Forest of Dean) (Con): The hon. and learned Lady really knows better than that. She knows perfectly well that in Committee, we made it very clear that we recognise there is a real problem. The argument is over the solutions. The Office for National Statistics made it clear that the gender pay gap is 12.8 per cent. The Government's proposals in clause 73 of the Equality Bill, which we opposed because we think they will not analyse the problem, will tackle only direct and indirect discrimination. How much of the 12.8 per cent. pay gap does the Minister think is accounted for by direct and indirect discrimination? The Equal Opportunities Commission research suggests less than 5 per cent.

The Solicitor-General: The pay gap is 28.3 per cent. in the private sector and 22 per cent. in the public sector. The Tory figures leave out part-time workers. The Tories do that all the time, clearly thinking that part-time workers are a separate breed of second-class citizens, as they are mostly women. The hon. Member for Weston-super-Mare (John Penrose) made a long speech in Committee asserting that discrimination was a very minor reason for unequal pay, which is not what most trade unionists and others in the field believe. Even he did not say there was no discriminatory unequal pay, yet the Tories voted against the very measure that would tackle it.

Lynne Featherstone (Hornsey and Wood Green) (LD): Although we disagree on mandatory and voluntary pay audits, if we are to have voluntary pay gender information and it has not worked by 2013—because the matrix has not worked or whatever—what threshold will the Minister be looking at to determine whether the scheme has not worked? What percentage of companies will need to have voluntarily displayed at that point?

The Solicitor-General: That is a really good question. As the hon. Lady knows, the commission, the TUC, the CBI and other employer and employee organisations will be working on what we should measure. They will also report annually on how the work is progressing. Part of their consideration now will be exactly how we should measure that progress.

Female Entrepreneurs

2. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What plans she has to increase the number of female entrepreneurs. [282090]

The Minister of State, Government Equalities Office (Maria Eagle): The Government recognise the vital contribution that women entrepreneurs are making in building our economy. Women-led businesses contribute £45 billion to the UK economy. Women can get advice and support through the Business Link network. In addition, we are funding a network of women's enterprise ambassadors to inspire more women to start their own business, and piloting women's business centres that provide specific business advice.

Mr. Bellingham: I thank the Minister for that reply. Is she aware that many female entrepreneurs employ agency workers? Such workers very often enjoy their flexibility and, indeed, are well paid. They are very concerned about the EU agency workers directive, so can the Minister confirm that the Government are still broadly sceptical about the directive and that they will ensure proper and full consultation?

Maria Eagle: I commend the hon. Gentleman for the particular interest he has shown in this matter over a number of months. He is right that consultation on the directive is ongoing—it closes on 31 July. Those who wish to have an input into our response may do so in Exeter, Birmingham, Glasgow and London over the next month or so. We intend to ensure that flexibility still remains for agency workers while protecting their rights, which is another important consideration.

Mr. Lindsay Hoyle (Chorley) (Lab): I think my hon. Friend would agree that a lot of people are forced into becoming an agency worker. It was clear that the people who lost their jobs at the Mini factory in Oxfordshire had no rights and no way of defending themselves, and the reason why they could be sacked overnight was that they were forced into agency working. The fact is that that is not a way forward or a solution that we should support.

Maria Eagle: I agree that some people do not choose to be agency workers but have that chosen for them. The directive and our policy are driven by a desire to ensure not only flexibility but fairness. Protection in employment is just as important as flexibility. The trick is to get the balance right, and we intend to do that.

Age Discrimination

3. **Jo Swinson** (East Dunbartonshire) (LD): What recent representations she has received on age discrimination against under 18-year-olds. [282091]

The Parliamentary Secretary, Government Equalities Office (Michael Jabez Foster): We recently received representations on age discrimination against children aged under 18 from organisations including Young Equals, 11 Million, the Association of School and College Leaders and the Equality and Human Rights Commission. We have also discussed the issue with children's groups, including at the Government Equalities Office senior stakeholder group, and the Equality and Diversity Forum.

Jo Swinson: I am glad that the Minister mentions Young Equals and I am sure he has read its excellent report, "Making the case", which details harmful age discrimination against young people, so how can the Government justify ignoring that evidence and excluding under-18s from protections in the Equality Bill?[1]

Michael Jabez Foster: We all agree that young people deserve the best possible start in life, but the most appropriate and effective way to deliver better opportunities and services for our young people is through targeted initiatives, which is why, in January, we announced an extra 350,000 apprenticeship places, half of which we expect to go to 16 to 18-year-olds. It is also why we are

1. *[Official Report, 29 June 2009, Vol. 495, c. 1-2MC.]*

investing £225 million over three years to support local communities. We need to support vulnerable young people who become homeless. Such targeted initiatives will have the greatest effect for the benefit of young people.

Julie Morgan (Cardiff, North) (Lab): The Equality Bill is a great piece of legislation, but it would be even better if under-18s were included. The Young Equals campaign has been mentioned, and young people are saying powerfully that they feel discriminated against and excluded. Is there any way in which we can make them feel part of the Bill?

Michael Jabez Foster: As my hon. Friend suggests, most of the arguments in favour of extending age provisions to under-18s seem to arise due to negative attitudes and opinions about young people and mistrust of them. It is important that that be dealt with, but attitudes alone are not the basis of discrimination under the Bill, so we would not solve the problem simply by including under-18s in its measures.

Equality Bill

5. **Mr. Hugo Swire** (East Devon) (Con): What recent representations she has received on the provisions of the Equality Bill affecting provision of goods and services on the basis of age. [282093]

The Solicitor-General (Vera Baird): We recently received representations on the Equality Bill's provisions on age discrimination from Age Concern, Help the Aged, the Equality and Human Rights Commission, the Association of British Insurers, Saga and Kingfisher. We have held extensive discussions with a wide range of stakeholders to inform our work on a consultation document to be issued shortly.

Mr. Swire: A number of my constituents who are pensioners are either regularly refused insurance, or obliged to pay larger premiums because of their age. Given that the Bill is intended to go against any form of discrimination, including age discrimination, will the Minister give an assessment of how existing legislation is working regarding insurance for elderly people?

The Solicitor-General: Of course, there is not a ban on age discrimination in the delivery of goods, facilities and services at present. The new Bill will be fed by the consultation. If discrimination is actuarially justified, it will not be age discrimination—it will operate on a different basis. At the moment, there is no need for any supplier to decide whether there is justification, but now they will have to make such decisions. The consultation document will come out very shortly, and it will help us to sculpt this so that we get all the bad things out and put all the good things in. I hope the hon. Gentleman will contribute to that document.

Gender Pay Gap

7. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussions she has had on the extent of the gender pay gap for those in full-time and part-time work. [282095]

The Parliamentary Secretary, Government Equalities Office (Michael Jabez Foster): I refer my hon. Friend to the answer previously given.

David Taylor: I am grateful for that answer. Does my hon. Friend agree with the chief executive of the Equality and Human Rights Commission, who has said that the Equal Pay Act 1970 is

"no longer fit for purpose",

and does my hon. Friend agree that we need to look afresh at what modern equal pay legislation should look like? We should head off problems in the first instance, and not wait until they reach tribunal stage.

Michael Jabez Foster: Indeed, and that is why the Equality Bill will ensure that provisions are made to monitor equal pay and make a difference for the future.

Equality Bill

8. **Angela Watkinson** (Upminster) (Con): What representations she has received on the provisions in the Equality Bill on provision of goods and services on the basis of age. [282096]

The Parliamentary Secretary, Government Equalities Office (Michael Jabez Foster): I refer the hon. Lady to the response given earlier today.

Angela Watkinson: I thank the Minister for that answer, but it is not only older people who are encompassed in the problem. Very young drivers are a high-risk group, and the insurance industry needs assurances that it will be able to undertake proper risk assessment and make sure that its insurance premiums reflect that additional risk.

Michael Jabez Foster: It is clear that there is discrimination against older people in particular, but of course, before any regulations are made, the industry will be properly consulted; that, indeed, is the purpose of the Government's proposals.

National Security Strategy

11.31 am

Mr. Crispin Blunt (Reigate) (Con) *(Urgent Question)*: To ask the Secretary of State for the Home Department if he will make a statement on updates to the national security strategy, including policy on cybersecurity.

The Minister of State, Home Department (Mr. David Hanson): At 10 o'clock this morning, my right hon. Friend the Prime Minister made a written ministerial statement, in which he laid before the House this year's update to the national security strategy. Accompanying the strategy was the first national cybersecurity strategy for the United Kingdom. Last week, the Government presented to the House the Digital Britain strategy. This country is well placed to take advantage of the opportunities of the digital age, but we can seize those opportunities only if people are confident that they can operate safely in cyberspace.

Every day, millions of people across the UK—our constituents—rely on the services and information that make up cyberspace. Indeed, 65 per cent. of UK households have access to the internet, and the figure is growing by about 8 per cent. a year. The national security strategy, published for the first time by the Government last March and updated this year, sets out an honest and transparent appraisal of the risks that we face, including the threat that organised crime poses to our country. Organised crime costs us around £20 billion a year, and we have a duty to the British public and to British industry to take measures dramatically to reduce that cost.

The Government also need to assess the threats from terrorist organisations and prepare our response to them; the public would expect no less. All those threats can arise in cyberspace. As the director general of the Security Service has said, a number of nations and organisations are

"trying to obtain political and economic intelligence at our expense"

and

"increasingly deploy sophisticated technical attacks, using the internet to penetrate computer networks."

We know the importance that terrorist groups, notably al-Qaeda and its affiliates, place on the internet and cyberspace, which are particularly important for propaganda reasons. We know that terrorists would like to be able to operate more effectively in cyberspace. I am not scaremongering, but we need to look at the issues. Our assessment at present is not that terrorists have the capability to mount attacks imminently, but that we must honourably prepare as terrorists become more sophisticated.

Such threats from states or terrorists could affect critical national systems, but there is also a real threat to millions of ordinary citizens—our constituents—as well as their transactions and the businesses for which they work. Online fraud generated some £52 billion worldwide in 2007. The average cost to companies of information security incidents is in the range of £10,000 to £20,000. For a large company, the cost can be as high as £1 million to £2 million. As the dependence on cyberspace grows, we need to ensure security, which is critical to the health of the nation.

As I mentioned, today the Government published, in a written ministerial statement made by my right hon. Friend the Prime Minister, the first cybersecurity strategy. As a result, we will establish an office of cybersecurity in the Cabinet Office to lead on cybersecurity policy issues, and a cybersecurity operations centre, a multi-agency body, based alongside GCHQ in Cheltenham. That organisation will lead on operations and technical capabilities, which we will examine.

As a result of the new strategy, we will develop a cyber industrial strategy for the UK's critical security needs, in the same way as we have a defence industrial strategy; we will develop cybersecurity skills for the UK, plugging existing gaps and creating more high-tech employment opportunities; we will make critical systems in the public and private sectors more resilient and enhance our ability to detect attack; we will develop international law and doctrines of national defence in cyberspace, working with other countries; we will consider better advice to business and citizens about the security-risk picture and the steps that they need to take to address it; and we will develop new strategies for tackling terrorist and criminal use of cyberspace with our colleagues in the Association of Chief Police Officers and its strategy on cybercrime, which is due out shortly.

We plan emergency responses, and the new centre will test the UK's ability to respond to major attacks, which we obviously believe that we can prevent, but which we need to consider. As with our national security, it will be important that the Government's powers are used proportionately and in a way that is consistent with civil liberty issues, as I know the hon. Member for Reigate (Mr. Blunt) would wish. So, from today, we will establish an ethics advisory group to advise on that issue, and I shall update the House on its membership when it is formed.

The centres will be operational in September, and new funding will be announced before then to meet their obligations, building on existing resources that were allocated largely to intelligence agencies. Again, I shall report back to the House on those matters.

The wider national security debate is important, and the Government have taken forward the good start that was made last year. We look ahead to the broad range of national security threats, and we look at how we can prevent them. Today, we have set out in the documents an updated analysis of the threats that we face, made commitments on what drives insecurity in the world—on conflict, energy, poverty and the impact of climate change—and published the cybersecurity strategy, which I hope will be the subject of some debate and interest.

Britain depends very strongly on the dedicated work of the armed forces, the intelligence services, the police and other services in the support of those strategies. I pay tribute to them all for the courage that they display every day of the week in often very difficult circumstances. I commend the document to the House and hope that the written ministerial statement from my right hon. Friend the Prime Minister will be read with interest by right hon. and hon. Members from all parts of the House.

Mr. Blunt: The Minister owes you, Mr. Speaker, and the House an apology for the public handling of this strategy. As we speak, the Prime Minister is at Detica, a cybersecurity company. Why is he not here making an oral statement? There is no more important responsibility of Government than national security, and, for a key

[Mr. Blunt]

development in the critical area of cybersecurity to be trailed as it has, leading to the first occasion that you, Mr. Speaker, have granted an urgent question, is not only disgraceful but, more alarmingly, shambolic. The Ministers directing the strategy, who are supposed to keep us safe, cannot even manage the orderly public release of new policy.

The lack of detail on cybersecurity in the national security strategy, which the Prime Minister presented last year, was an obvious area of weakness. The security industry publicly warned that the Government had severely underestimated the dangers that cyber attack poses and had accorded cybersecurity insufficient priority and budget. What has galvanised the Government into action? Has the threat from cyber attack grown in the past year, or has the swift and comprehensive response of the new American Administration made them realise that their priorities were wrong? It was an immediate priority for President Obama and, only four months into his Administration, he was reporting on the results. How can we be confident that the strategy before us reflects the proper American sense of priority, rather than being only a pale imitation?

How will the new office of cybersecurity and the new cybersecurity operations centre fit with the work of existing agencies? We already have a number of different agencies working in the area: the Centre for the Protection of National Infrastructure, the wider information assurance centre and the Communications Electronic Security Group, being the national technical authority for information assurance, which is based at GCHQ. All the above are already co-ordinated by a Cabinet Office-unit sponsor for information assurance. The Serious Organised Crime Agency and the police e-crime unit, based in the Metropolitan police, are responsible specifically for cybercrime.

The "Digital Britain" report, which the Government published last week, announced the formation of a tripartite initiative—the tripartite internet crime and security initiative—which will bring together parliamentarians, Government and business. The Government are in danger of presiding over a patchwork muddle of different agencies and mandates, to which they have now added an ethics advisory group. It is sad that Ministers now need advice on ethics. Will the new director instigate an immediate review of the mandates and achievements of all the different agencies involved in cybersecurity, to avoid overlap and ensure the best use of resources?

There is wholly insufficient time to examine the strategy through the means of an urgent question, but I am grateful to you, Mr. Speaker, for commanding the Minister here today. Will the Government commit, at the earliest opportunity, to a full debate on the strategy, led by the Prime Minister and in Government time? We need a national security council with a dedicated staff and decision-making powers at the heart of the Government. We are not there yet.

Mr. Hanson: I am grateful to the hon. Gentleman for his comments. First, I assure him on behalf of my right hon. Friends the Prime Minister and the Home Secretary that we have acted entirely properly in bringing this matter before the House. You, Mr. Speaker, will know that this morning the Prime Minister issued a written ministerial statement that publishes the documents.

There has been press speculation about the issue, but I guarantee that we did not brief the press beforehand. If I can explain—[Hon. Members: "Oh!"] If I can explain to hon. Members the circumstances that have given rise to press speculation—*[Interruption.]*

Mr. Speaker: Order. May I interrupt the right hon. Member for Delyn (Mr. Hanson) for a moment? I say to the hon. Member for Wellingborough (Mr. Bone), and others who are making quite a lot of noise that they are damaging their own chances of asking questions from the Back Benches.

Mr. Hanson: At 10 o'clock this morning, the detailed documents were published. My noble Friend Lord West of Spithead has written to you, Mr. Speaker. I hope that you have received it by now; it has been copied to the hon. Member for Reigate (Mr. Blunt). His letter outlines the circumstances of a specific aspect of today's announcement: the name of the individual who will be in charge of the said units, which was the subject of a D notice. As hon. Members will know, a D notice is a voluntary agreement under which the press agree not to publish certain details. The D notice was issued two days ago, rather than today. That was an error, and if I need to apologise to the House on behalf of the Department, I will do so. The notice was issued under embargo, but that embargo was not taken by several among the press yesterday. That is an important issue, but the details of the statement—the key thing for the hon. Member for Reigate—are before the House in the written ministerial statement today.

The hon. Gentleman said that he is concerned that we in the Government have not taken the threat seriously. A considerable amount of work was done by my predecessors and by my noble Friend Lord West of Spithead. Today, we have taken the opportunity to update the national security strategy and to bring forward the key issues. Like the President of the United States, we recognise that the cyber strategy covers a growing area of concern. Governance will be performed through my noble Friend's reporting to the Prime Minister and through the National Security, International Relations and Development Committee, a Cabinet Committee on which my right hon. Friend the Home Secretary sits and which will look at those issues.

I am genuinely happy to debate the issues at an appropriate time. As the hon. Member for Reigate will know, business questions follow shortly. Government time is not in my gift, but the hon. Gentleman can ask a question during business questions if he wishes, and we will consider it as part of our discussions.

This issue is important to citizens in our country, in respect of both business crime and international terrorism. We believe that we will get it right, but we want cross-party support on the obligations because that matters to the people of this country.

Several hon. Members *rose—*

Mr. Speaker: Order. I appeal to Back Benchers to ask brief questions and to the Minister to offer brief replies.

Mr. David Blunkett (Sheffield, Brightside) (Lab): Thank you, Mr. Speaker; I shall try a question. As my right hon. Friend will know, I raised the issue of cybercrime and attack when we updated our Contest strategy earlier this year. I am deeply concerned that we not only

co-ordinate correctly the organisations that can make a difference, but resource them effectively. My right hon. Friend will know that it is crucial to put resources into workstreams 3 and 5, on awareness and cultural change and on technical development, research and capability. We must also put resources into the e-crime unit, run by the Metropolitan police, which has already shown how effective it can be. As my right hon. Friend updates the House on resources in the summer, will he tell us that those specific areas will be resourced adequately so that the job can be done?

Mr. Hanson: I am grateful to my right hon. Friend for his work as Home Secretary in preparing the ground for some of these issues. Several hundred million pounds are already being spent, mostly by organisations that are part of the GCHQ complex and the Centre for the Protection of National Infrastructure, which is part of the Security Service. That money comes out of a single intelligence account. With my colleague Lord West of Spithead, I will examine the funding of new organisations before we establish this process in September, and I will report back to the House on the details of the work streams that my right hon. Friend mentioned.

Tom Brake (Carshalton and Wallington) (LD): I support the official Opposition's tabling of an urgent question on this matter. Without it, we would not have been able to have a timely debate on the national security strategy or an opportunity to examine its implications. That would have been a major problem for the House.

The strategy clearly has the potential to defend us, but it could also have a significant impact on our civil liberties. We have to take the Minister's word for it that what happened was a breach of an embargo, or possibly a leak, but I am sure that Members will be concerned that there has been a leak about the cybersecurity strategy, of all things.

One reason that the Government have given for bringing forward the strategy is the growing threat posed by hostile states, terrorists and criminals. We do not deny that that threat exists and is growing, but it is described in very broad terms. What criteria have the Government used to define hostile states, terrorists and criminals? To give us an idea of the scale of the threat that is posed, can the Minister tell us anything about how many attacks there have been on our networks, for instance over the past 12 months?

This Government have a rather illiberal and invasive overarching counter-terrorism strategy that includes such Orwellian measures as control orders. Can the Minister give us some assurance that the cybersecurity operations centre will not just be used for snooping on British citizens' internet use? In the cyber strategy, there is mention that the Government will work closely with civil liberties groups. Which groups does the Minister have in mind, and at what point are they likely to be involved in the process?

Finally, as far as I can tell, there is no impact assessment in relation to the proposals. What are the cost implications? We do not deny the need to have a cybersecurity strategy, but we need to be certain that it will not have an impact on our civil liberties. That is the reassurance that we are seeking from the Minister today.

Mr. Hanson: I am grateful to the hon. Gentleman for his questions. May I give him that assurance immediately? The strategy is about defending civil liberties and ensuring that we protect people's liberty to enjoy their lives free of crime and free of the terrorist threat. We have to have a balance between individual liberties and the issues set out in the cyber strategy. I will defend civil liberties and uphold rights, and that balance is extremely important. We will work through those issues as part of our discussions.

The hon. Gentleman asked about the threat that has occurred to date. We are not aware of any major compromise of national security or key systems to date, but that does not mean that we are complacent. We brought forward the strategy precisely to ensure that we put in place mechanisms to monitor potential threats and attacks. I hope that the hon. Gentleman will understand that it is not appropriate for me to go into the number of countries or agencies that might be involved, because I do not want them to know that we know they are involved. However, I assure him that we will balance liberties with national security.

On the cost element, as I said to my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), I hope to report back to the House before early October about what costs are allocated to particular projects.

Keith Vaz (Leicester East) (Lab): I share the concern of the hon. Member for Reigate (Mr. Blunt) about the way in which the Government have handled this matter. Perhaps it would have been more appropriate if the Minister had made an oral statement. However, my right hon. Friend mentioned organised crime in his answer to the urgent question. The director and the chairman of SOCA gave evidence to the Select Committee on Home Affairs this week, but no mention was made about the urgency of the cyber threat from organised crime. Can the Minister confirm that there have been discussions with the chairman and director of SOCA and that any concerns raised with him have been taken on board?

Mr. Hanson: We have had discussions across government about the implications of the strategy. We are working on crime issues in particular, given my responsibilities, and they are important issues. With regard to the oral statement, my right hon. Friend the Prime Minister laid the issues before the House this morning in a written ministerial statement. As I have mentioned, the problem with the breaches arose in relation to the D notice that was issued. Initially, our mistake was that we did not put it under embargo, as we should have. It was later put under embargo, but unfortunately the press published that D notice and made a story around it, without knowing what was in the document, which was published to the House at 10 am today.

Patrick Mercer (Newark) (Con): The Minister will be aware how critical the counter-terrorism sub-committee has been, despite the slowness of establishing the new operations centre, and, similarly, how concerned we have been at the slowness of establishing the counter-terrorism units in the various regions up and down the United Kingdom. Can he assure us that there will be proper and sensible liaison between the two bodies, with effective sharing of intelligence, and that that will start not next year, but now?

Mr. Hanson: Absolutely. Although I have been in this post for only two weeks and four days, I had a justice background in my previous Department, and I am urgently looking at those issues to ensure that the very

[Mr. Hanson]

things that the hon. Gentleman mentions are put in place. We need to ensure not just that Departments and the organisations within them are operating individually in their silos, but that we have co-operation across the board. Today's cyber strategy is about establishing a unit in GCHQ under effective leadership to look at those issues across government. That is the objective.

Jacqui Smith (Redditch) (Lab): I welcome today's publication by my right hon. Friend the Prime Minister of a wide-ranging, cross-government and cross-agency cyber security strategy. Given the significance that the Obama Administration have placed on cyber security, will my right hon. Friend the Minister outline how we will be able to work with our closest security ally to maximise our joint capability and minimise duplication?

Mr. Hanson: I suspect that my right hon. Friend has as much knowledge of the work done to date as my noble Friend Lord West, who was involved in producing today's document, and I pay tribute to her for that. She makes a vital point. The internet and cyber security do not end at the boundaries of the United Kingdom. They are international and European issues, and ones on which we need to work closely with our allies in the American Administration. I am confident that the new unit will work closely with our colleagues in Washington and that it will have the same objectives, which are to tackle international organised crime, ensure that we are safe and try to prevent terrorist approaches to our cyber system.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I welcome the Minister's commitment to civil liberties, but will the national security strategy include the establishment of a national database to maintain records of web page visits, e-mails and VoIP—voice over internet protocol—calls and whether the Government intend to introduce a compulsory register of all mobile phones in the country?

Mr. Hanson: If I may, I would like to come back to the hon. Gentleman on the detail of that point. Let me re-emphasise, however, that the whole purpose of the ethics committee that we are establishing is to look at the liberty issues surrounding internet activity under the cyber strategy. We are working through the detail of how we will do that, but I will certainly respond to the hon. Gentleman after this statement. However, the key thing, which those in all parts of the House need to know, is that the liberty of individuals to enjoy their business, their communities and their private lives on the internet is important to the Government, as is, equally, the ability to ensure that they are not subject to crime, terrorist threats or distraction by people who have alternative methods to hand.

Mr. Tom Watson (West Bromwich, East) (Lab): What a great shame it is that the hon. Member for Reigate (Mr. Blunt) has squandered his opportunity to hold the Government to account. Is not the key issue that there is state-sponsored hacking of key UK information networks on an industrial scale and that we have to transform GCHQ into a spy school for geeks who are more cunning than their Chinese counterparts?

Mr. Hanson: My hon. Friend puts his finger on a key issue. Today's document is about the protection of the public and the protection of UK interests in the UK. It is about ensuring that we are prepared to assess and examine the threat, that people understand that threat and that people are supported in their businesses, in their private lives and in government to take steps to prevent that threat from arising. The protection of the public is the key element of today's document. Without wishing to burden the hon. Member for Reigate, let me say that my hon. Friend puts his finger on an issue on which there is, I hope, cross-government and cross-party agreement.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Contrary to the Minister's statement that the D notice and the information about the individual appointment were the only things in the public domain, on 15 June more details were put into the public domain, both online and in *The Guardian*, about the statement that the Government would set up an agency. Given the importance of information security and the Cabinet Office's role in that, will the Minister initiate a leak inquiry into how the information got into the public domain, unless, of course, that is done deliberately by the Government in the next 14 days?

Mr. Hanson: I am grateful to the hon. Gentleman for his question. Let me say again that the detail of the announcement has been made public only this morning, in the ministerial statement by my right hon. Friend the Prime Minister. My noble Friend Lord West of Spithead has written a letter to Mr. Speaker and the hon. Member for Reigate in confidence to explain the background to the D notice. I have given the House an account of that, and I hope that hon. Members will be satisfied with it.

Andrew Miller (Ellesmere Port and Neston) (Lab): For some years I have had the privilege to work with the Information Assurance Advisory Council, which brings together government officials and the private sector on the important issue of information assurance. May I seek an assurance from my right hon. Friend that the new body will reach deep into the private sector and ensure a proper sharing of expertise? After all, the most likely areas for attack are probably in the City of London and other areas where we need proper sharing of our intelligence and the intelligence that the private sector gathers.

Mr. Hanson: I am grateful to my hon. Friend for his question. In today's document, which is clear and public, we have established eight work streams. One of the key work streams deals with skills, education, training and capability. The new unit will need to look at those issues and ask where the skills shortages are, where good practice is, which issues it will need to share and develop, and how it can do that in a way that helps businesses in particular, but also the general public and Departments, to protect and maintain the integrity of their cyber networks.

Dr. Julian Lewis (New Forest, East) (Con): Will the Minister at least take back to his ministerial colleagues in other Departments the message that, whether it is deliberate or inadvertent, when advance news about matters that ought to be announced in this House leaks into the press, Ministers can expect to be summoned straight away to this House to answer urgent questions?

Mr. Hanson: I think that you have made clear to my ministerial colleagues across the board the regime that you intend to operate, Mr. Speaker. I have no doubt that both my right hon. and learned Friend the Leader of the House and other colleagues will help to support you in that objective.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Given that Estonia was the first country to experience the devastating effect of a cyber attack, can the Minister say a bit more about how we are working with our European partners, especially the Baltic states, which are probably on the front line of the threat?

Mr. Hanson: I am grateful to my hon. Friend. One of the key things in the document, in work stream 7, is international engagement. One of the office's new tasks will be to bring together the UK's work with that of overseas partners and international organisations. Self-evidently, the European Union is one of the biggest local organisations in which we can get cross-governmental co-operation on some of the issues. That is important, and we will be commissioning working groups to take forward work across the board in the next few weeks and months.

Lembit Öpik (Montgomeryshire) (LD): There is a serious security concern for citizens, because, after all, the Government have shown themselves to be somewhat ineffective in preventing confidential information from falling into the wrong hands.

Further to the point about Estonia, is the Minister aware of the devastating effect of the first organised cyber war ever launched against a country—namely, Estonia—not only on businesses but on private citizens? May I suggest that he recommend that the individuals responsible for developing the strategy here work directly with the Estonian authorities, which have not only experience of what happens when things go wrong but coping strategies to prevent it from happening again? I am sure that that would be useful for my constituents and all constituents across the United Kingdom.

Mr. Hanson: We will certainly look at the experience of Estonia and at how we can learn from it. The hon. Gentleman's key point is that everyone needs to have confidence in the use of the cyber network. People need to have confidence that their information is not being hacked into or copied, and that it will not be used for criminal or terrorist purposes. The key objective of the document is to ensure that we help to develop that confidence still further.

Business of the House

12 noon

Alan Duncan (Rutland and Melton) (Con): May I invite the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows:

MONDAY 29 JUNE—Second Reading of the Parliamentary Standards Bill.

TUESDAY 30 JUNE—Consideration in Committee of the Parliamentary Standards Bill.

WEDNESDAY 1 JULY—Consideration in Committee and remaining stages of the Parliamentary Standards Bill, followed by consideration of Lords amendments to the Saving Gateway Accounts Bill.

THURSDAY 2 JULY—Estimates [3rd allotted day]. There will be a debate on looked-after children, followed by a debate on road safety. Details will be given in the *Official Report*.

[The details are as follows: Looked-after Children (3rd Report from the Children, Schools and Families Committee, HC 111 and Government response (4th Special report HC 787, to be published on Monday 29 June); Ending the Scandal of Complacency: Road Safety beyond 2010 (Eleventh Report from the Transport Committee, Session 2007-08, HC 460), and the Government's responses (First and Second Special Reports, Session 2008-09, HC 136 and HC422).]

At 6 pm, the House will be asked to agree all outstanding estimates.

FRIDAY 3 JULY—Private Members' Bills.

The provisional business for the week commencing 6 July will include:

MONDAY 6 JULY—Opposition Day [15th allotted day]. There will be a debate on an Opposition motion, subject to be announced, followed by proceedings on the Consolidated Fund (Appropriation) (No.2) Bill.

TUESDAY 7 JULY—Remaining stages of the Finance Bill (Day 1).

WEDNESDAY 8 JULY—Conclusion of remaining stages of the Finance Bill (Day 2).

THURSDAY 9 JULY—Topical debate, subject to be announced, followed by a motion to approve the Draft Terrorism Act 2006 (Disapplication of Section 25) Order 2009, followed by a motion to approve the Draft Council Tax Limitation (Maximum Amounts) (England) Order 2009.

I should also like to inform the House that the business in Westminster Hall for 9 July will be:

THURSDAY 9 JULY—A debate on the report from the Foreign Affairs Committee entitled "Global Security: Iran".

Alan Duncan: I thank the Leader of the House for giving us the forthcoming business, but the way in which she appears to be presiding over House business at the moment does seem a tad shambolic. Last week, we were informed that the Government would be tabling today's motions in good time to give the House as much opportunity as possible to look over the proposals. However, nothing appeared on the Order Paper until

[Alan Duncan]

yesterday. Then, on the same day, the Government inexplicably withdrew the motion that would have established a new ad hoc Committee on reforming this House. Will she advise us as to quite what is happening? If, as I suspect, the Government were embarrassed by the gulf between the Prime Minister's announcement and the proposed remit of the Committee, which was so narrow as to render the whole exercise absurd, why did not the Government simply support the amendments on the Order Paper that would have widened the Committee's scope and spared the right hon. and learned Lady's blushes? Or is the real truth that this whole episode was dreamt up in the No. 10 bunker merely to fill a space in a prime ministerial press release? When will the Committee now be established?

On the new Parliamentary Standards Bill, which we will debate in its entirety next week, will the Leader of the House give her guarantee that issues of privilege will not be discussed by the House at the Bill's Committee stage until the Clerk of the House has given evidence to the Justice Select Committee, as I believe he is scheduled to do on Tuesday?

May we have a statement from the Home Secretary on the status of the Government's policy on identity cards? Four statutory instruments on ID cards were due to be debated last week, but then *The Sunday Times* reported—correctly, as it turned out—that they were to be shelved for a month. In view of your important and welcome statement on ministerial statements yesterday, Mr. Speaker, will the right hon. and learned Lady now promise that the Home Secretary will come to Parliament to clarify here what Ministers have been briefing in private—namely, that the Government realise that they are on to a loser and are getting ready to perform yet another major policy U-turn?

Similarly, will the right hon. and learned Lady confirm the mysterious whereabouts of the Postal Services Bill, on which the Business Secretary has staked his reputation and, along with it, the Prime Minister's career? I have asked about this twice before and have twice received inadequate answers. There are only 16 sitting days left before the summer recess. The Bill's First Reading was over four weeks ago and, as the right hon. and learned Lady knows, Second Reading would normally follow swiftly behind. Is the Bill going to be delivered from the upper House or has it—as I heard hon. Members saying just a few seconds ago—been permanently lost in the post?

In the provisional business that the right hon. and learned Lady announced last week, the Child Poverty Bill was scheduled for this coming Monday. Now that we are going to be debating the Parliamentary Standards Bill on Monday instead, will she give us a commitment that the House will indeed debate this important Bill before the summer recess? We on the Opposition Benches are full of contributions that we wish to make to the legislation. The issue is all the more important in the light of yesterday's Office for National Statistics figures on the level of deprivation facing children growing up in London, nearly a quarter of whom are living in households where no one is working and which are plagued by obesity and crime. As the Leader of the House represents an inner-London borough, and for the sake of those whom the legislation seeks to protect, may I ask the her to guarantee not to lose sight of the Bill, and to bring it to the House as soon as possible?

Given the Prime Minister's woeful performance at questions yesterday, may we have a full and urgent statement from him on financial honesty in the Government? Yesterday morning, Britain was found to be facing the biggest budget deficit in the world. At lunchtime, the Prime Minister's attempts to defend himself in the Commons ended in ridicule. In the afternoon, the Governor of the Bank of England complained that he had been left in the dark about important aspects of Government policy, and delivered the final blow by calling on the Government to set tougher targets on the UK's "extraordinary" debt levels. Is it not clear that the longer the Prime Minister deludes himself about being in power, the longer it will take the UK to recover?

Finally, may I simply note that, this week, we are celebrating the second anniversary of the right hon. and learned Lady's ascension to her position as Leader of the House? I will send her a card saying "Now we are two." Members may take that to mean anything they wish.

Ms Harman: The shadow Leader of the House asked about the motion on the Committee. The intention is that this Committee of the House will be chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright), and that it will consider the improvement of the processes for the Government being held to account by Members of this House. We tabled a motion, and amendments to it were tabled. We considered the amendments; in fact, more amendments have been tabled this morning. If we are trying to achieve consensus across the House, I think that it is right and proper that, instead of ploughing on with our resolution, we should listen to what is being said and see whether we can take on board the different points of view and proceed on a basis of consensus.

The shadow Leader of the House told everyone that he was a new man, but is it not quintessentially old politics to insist that we do not need to listen? As Leader of the House, it is important for me to listen to hon. Members when they table amendments, and to take into account what they suggest. I do not think that that is the sign of a shambles; it is the sign of how the Leader of the House should proceed. I do not think that it is a sign of weakness; it is a sign of strength. The hon. Gentleman will be reassured to hear—I will talk to him and all other hon. Members about this—that we will proceed to bring forward a resolution, before the House rises, on which I hope the whole House can agree, so that we can set up the Committee and improve the way in which the House holds the Government to account.

The hon. Gentleman asked about the Parliamentary Standards Bill. He has seen it; it has been published, and it will be debated on the Floor of the House over three days. He will see from the face of the Bill that the question of parliamentary privilege is not an issue in that Bill, so that is not a question that hon. Members need to concern themselves with. Essentially, the Parliamentary Standards Bill sets up an authority to deal with our allowances to ensure that they are established and administered independently and that the public can have confidence that that is the case. It will not trample on the question of privilege.

On ID cards, there is no change in Government policy. The hon. Gentleman knows that the Home Secretary keeps the matter under review at all times. If there is any change in policy, the House will be kept updated. The hon. Gentleman will know that we have introduced biometric ID cards for foreign nationals, and I hope he supports that, as it is not only important for security, but speeds up the sorting out of identity questions so that access to visas, for example, is made easier for people who are genuinely who they say they are. He also knows that we are introducing this approach for air-side in airports, and that there will be no compulsory ID cards for everybody else without a vote in this House. If there is any change on that—I do not expect that there will be—the Home Secretary will keep the House informed. He keeps the matter under review, as I said.

The hon. Gentleman asked about the Postal Services Bill. It is not announced for next week's business or that for the week after. He will see that we had to make a space for three days for the Parliamentary Standards Bill. I think it is important, with a crisis of public confidence in the House, to bring forward this measure and address it quickly. At the same time, to ensure proper scrutiny of the measure while bringing it in expeditiously, we need to give adequate time for it to be debated on the Floor of the House. That is why debate of the Parliamentary Standards Bill will be across three days.

The Child Poverty Bill is not in the business that I have announced, but I hope that it will be brought in before the summer recess. I expect that to be the case, and on the basis of what the hon. Gentleman said, I hope that the Opposition will vote for it when it comes before the House.

On the economy, it remains the No. 1 priority of the Government to take action to protect businesses and people's jobs, and to make sure that if people lose their job, they do not also lose their home. We will intervene and take action in all those respects, and we will make sure that we grow the economy out of recession rather than cut it, which is not the way to take us out of the recession.

Mr. David Heath (Somerton and Frome) (LD): I am a generous sort, and I like to give credit where credit is due. I entirely applaud what the Leader of the House has just said—that from now on, she is going to consult before putting motions before the House; she is going to listen to what people say, and then react to those requests. Hallelujah! That is what we have been asking for for years. If that has happened in respect of the Committee to be chaired by the hon. Member for Cannock Chase (Dr. Wright)—I tabled a modest amendment, which was supported in all parts of the House, and the Leader of the House has now given me to understand that she will agree to it—it is very good news indeed.

When we look at today's Order Paper, however, what do we see? We see motions 6 to 13, standing in the name of the Leader of the House, setting up the Regional Grand Committees. The right hon. and learned Lady knows that I support the idea of having such Committees, but has she consulted before tabling the motions? No, she has not. Has she canvassed the subject matter that the Regional Grand Committees will discuss? No, she has not. Has she sought convenient places and dates to enable those Committees to meet? No, she has not. All she has consulted is the so-called regional Ministers, who have then decided where those Committees will meet, when they will meet and what they will discuss. What sort of scrutiny of Government is that? Will she now withdraw motions 6 to 13 and talk to me and the hon. Member for Rutland and Melton (Alan Duncan) in order to move forward?

The Government need to come clean on the question of ID cards. The Conservatives changed their minds eventually, and former Home Secretaries—and there are enough of them—have changed their minds, so when are the Government going to admit that they will have to change their mind on ID cards and come to the position that we have advocated all along?

In looking at how this House scrutinises business, can we look seriously at how we scrutinise Government expenditure? As I have said before, there is no adequate mechanism for the House as a whole to look at Government spending. We have estimates days which do not involve looking at estimates; we have Consolidated Fund motions which do not involve any debate on the Consolidated Fund; and we give more scrutiny to a ten-minute Bill than to the Government's entire spending programme. Can we have some major reforms to enable us to carry out such scrutiny, so that we are not simply asked to write out cheques? If that had happened, we might not have been facing the biggest financial deficit that this country has ever seen, and the biggest seen in Europe. Can we have a debate very soon, so that we can see how the Government plan, as the Governor of the Bank of England says,

"to return to a sustainable position over the lifetime of the next Parliament"?

That is crucial. It is no good pretending that the bills are not mounting up; we have to find a way of paying them.

Finally, I welcome the fact that the Leader of the House has acceded the request I made last week about reconstituting the Science and Technology Committee. I suggest that the Committee be asked an early stage to look at the recent research of Professor Tonegawa, published in *Neuron* magazine, which reveals that we edit our memories when fast asleep. Could that explain the difference between what the Prime Minister says and what he does?

Ms Harman: The question of what the Science and Technology Committee looks at is a matter for that Committee—if the House establishes the new Committee, as I am sure it will when we reach that part of our business this afternoon.

The hon. Gentleman asked about consultation relating to the Regional Grand Committees. I remind the House that motions will come before hon. Members later this afternoon to establish such Committees and to ensure that they sit in September, in the regions. Regional Grand Committees are Committees of all Members in a region, and they will look at how Government agencies and policies are working in that region. There was consultation, and it was with the Regional Select Committees. It is not my fault if the hon. Gentleman and his hon. Friends will not sit on those Committees, or if the official Opposition do not want to join the Regional Select Committees. I think that they should join them; on behalf of the regions they represent, they

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should hold Government agencies to account. I hope that the hon. Gentleman will attend and play a part with regard to the Regional Grand Committees, and the Regional Select Committees as well.

On ID cards, I have nothing to add to what I said to the shadow Leader of the House.

The hon. Gentleman asked about scrutiny by the House of Government spending. It is not true to say that there is no scrutiny of Government spending: we have oral questions, the pre-Budget report and debates, as chosen by the Liaison Committee, of Select Committee reports. How the House scrutinises public spending is a subject that could fall within the remit of the Committee that we hope to establish under the chairmanship of my hon. Friend the Member for Cannock Chase (Dr. Wright).

I have already said that I want to listen and consult before I table motions, and it is obviously even more necessary to listen and consult when amendments are forthcoming. There is nothing wrong, however, with the process of tabling a motion, seeing that there is a whole heap of amendments and then talking about the matter. That is not a U-turn; it is not weakness or backing down; it is about setting out a position, seeing what people like—or, in this case, dislike—about it and thinking again.

Several hon. Members *rose—*

Mr. Speaker: Order. Many Members want to contribute, so I appeal to each Member to ask one brief supplementary question.

Mr. Gordon Prentice (Pendle) (Lab): On 15 June, for the first time ever, more Labour peers voted against the Government than with them, to close the loophole that allows tax exiles to bankroll UK political parties. Will my friend seek to reverse that vote when the Political Parties and Elections Bill comes back to the Commons, and will we get that Bill before the recess?

Ms Harman: When the Bill comes back to this House, the Minister concerned will make the position clear, no doubt having discussed it widely with Members on both sides of the House before doing so.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): Will the Leader of the House make time within the parliamentary timetable to revisit the recently imposed abolition of the de minimis rules in the Register of Members' Interests? I have been told in all solemnity by the registrar today that in future every bunch of flowers will have to be registered. I suggest to the right hon. and learned Lady that that will result in not only my entry in the register, but those of several female Members, having more petals than the average botanical gardens. Can she make time to consider the question? Perhaps we should go with Gilbert and Sullivan: "The flowers that bloom with the speech, tra-la, have nothing to do with the case."

Ms Harman: There is a de minimis rule for donations, which is 1 per cent.—£650. Unless the bunch of flowers given to the right hon. Lady is worth more than £650—*[Interruption.]* If hon. Members will bear with me, I am trying to explain the situation. If there is a donation, a de minimis rule will apply, and I suspect that when people give her flowers, it is a donation rather than payment for services. If there is payment for services, in cash or in kind, that needs to be declared. It is quite easy for hon. Members to work out whether the item is a gift given after something has been done, or payment for services. If payment for services has taken place, there is no de minimis rule, nor should there be.

Albert Owen (Ynys Môn) (Lab): Can we have a debate on the impact of high electricity prices on manufacturing in the United Kingdom, particularly on energy-intensive industries such as aluminium smelting? UK companies are finding such prices difficult, and that is threatening UK jobs and production.

Ms Harman: Ministers in the Treasury and the Department for Business, Innovation and Skills are very concerned about increased energy prices, generated particularly by the cost of oil. I will ask the Secretary of State for Business, Innovation and Skills to write to my hon. Friend about that.

Sir George Young (North-West Hampshire) (Con): Further to the question of my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), the new rules that come into effect next Wednesday are virtually unworkable. If I make an after-dinner speech and my wife is presented with a bouquet of flowers, those become registrable. Under the Parliamentary Standards Bill, failure to register becomes a criminal offence—and if I ask her to give them back, I will be in even deeper trouble. When will the Leader of the House reply to the letter I wrote to her on 2 June asking her to introduce a sensible de minimis threshold for that part of the register?

Ms Harman: I think that the guidance will be workable. Obviously, we will ensure that we work closely with the registrar of financial interests to ensure that Members understand the rules clearly. There is no intention to have an unworkable system. The House supported the resolution for a register because the public are entitled to know, if Members are receiving payments for services, who is paying them and what they are paying them for.

Siobhain McDonagh (Mitcham and Morden) (Lab): Will my right hon. and learned Friend try to find time for a debate on the quality of advice being given to people in jobcentres, particularly in south London? I am increasingly aware that many of the new deal advisers are unaware of the services and support that they can provide to lone parents returning to work.

Ms Harman: Department for Work and Pensions questions are on Monday, when perhaps my hon. Friend can put that question to Ministers, who are very concerned to ensure high-quality work in jobcentres.

Richard Younger-Ross (Teignbridge) (LD): May I say that the Conservative Members who have spoken about minimum payments are entirely right?

May I ask the Leader of the House about English Heritage's launch yesterday of "Heritage at Risk"? It cites one in seven conservation areas as being at risk. Given the Government's failure to bring in a heritage

protection Bill last year, can we have an urgent debate on what other measures can be taken to protect listed and other buildings that are deteriorating and being demolished because of lack of action by the Government?

Ms Harman: I will ask Ministers in the Department for Culture, Media and Sport to write to the hon. Gentleman. I do not know whether any of his concerns come within the purview of the Department for Environment, Food and Rural Affairs, but it has questions next week.

Mark Fisher (Stoke-on-Trent, Central) (Lab): May I congratulate the Leader of the House on recognising the strength of support for the amendment tabled by the hon. Member for Somerton and Frome (Mr. Heath) yesterday, and on giving herself and the Government more time to think carefully about these matters? When she does so, will she think particularly carefully about the distinction between Government time and time that should properly be controlled by the House? Of course every Government have the right to introduce the legislation which they proposed when being elected, and should have plenty of time for that, but surely all other business is a matter for the House, including all matters of scrutiny of the Government. It is not for the Government to decide how much and what sort of time should be given to such scrutiny.

Ms Harman: I agree with the sentiment expressed by my hon. Friend. It is important that a democratically elected Government are able to deliver on their manifesto commitments and to get their business through the House, and that the House of elected Members makes sure that that legislation is properly scrutinised and that the Government continue to be held to account. That is why I hope that the Committee, under the chairmanship of my hon. Friend the Member for Cannock Chase (Dr. Wright), will be able to look across those issues.

Mr. Philip Hollobone (Kettering) (Con): Can we have an urgent debate on negative equity in the housing market? The recent rise in negative equity across the country has been most pronounced in Northamptonshire and the east midlands, and thousands of people are in real trouble?

Ms Harman: Negative equity is a particular concern if people cannot afford to stay in their homes and are forced to sell them at a very low market value. That is why we have taken a range of actions to protect people from being forced into repossession, including the support for mortgage interest scheme, the homeowner mortgage support scheme, the mortgage rescue scheme, the repossession prevention fund and the mortgage pre-action protocol. Repossessions, although rising, are still way below the level in the previous recession, and we are taking all the action that we can to prevent them from rising faster.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): My right hon. and learned Friend will have seen in this morning's papers and elsewhere that energy companies—electricity and gas suppliers—are being accused of grossly overcharging their customers. It is also suggested that Ministers should have a strategy to intervene if such companies refuse to reduce their prices by the end of December. Will she ask the Minister responsible to come to the House and reveal his plans for interventions so that people in this country are not overcharged for what should rightfully be subject to a true, fair and proper price set by a regulator?

Ms Harman: The issue is very important for industry and businesses as well as people in their own homes. I will discuss with the Minister responsible the best way to keep the House updated on Government action in this important respect.

Angus Robertson (Moray) (SNP): It has emerged that the now Defence Secretary told me and the families of 14 service personnel who died aboard Nimrod XV230 that the aircraft had been made safe, despite being warned that it was impossible to be sure that that was true. We were repeatedly told that defence consultants QinetiQ agreed that the aircraft was safe to fly, despite the company warning that

"no statement can, or has been made"

to that effect. Can we have a debate in Government time to learn which version is correct?

Ms Harman: If an hon. Member is to raise in business questions an important point on a matter of great seriousness and heartfelt concern to many individuals, it is worth giving me notice of it in advance, so that I can give a proper, fuller answer, having consulted the Minister responsible in advance. I will draw Ministers' attention to the hon. Gentleman's comments.

Mr. Dennis Skinner (Bolsover) (Lab): May we assume that the listening and consultation applies to Labour Members as well as to the Opposition? Does it explain the absence of the Postal Services Bill, which has not arrived in the House? Is that because Ministers have found the strength, having listened to scores, indeed hundreds, of Labour MPs, to ensure that the part-privatisation of Royal Mail does not go ahead? If that is the order of the day, well done!

Ms Harman: On Leader of the House issues, if my hon. Friend looks at the amendments that were tabled to my motion, he will see that they are in the names of Members on both sides of the House, including on our own Labour Benches. It is a question not just of cross-party talks with Front-Bench spokesmen but of looking at all the names of hon. Members on the Order Paper, including those on our side of the House. I shall refer his comments to the Secretary of State for Business, Innovation and Skills.

Justine Greening (Putney) (Con): May we have a debate on the effectiveness of the NHS in managing its land assets? Putney hospital has been derelict for 10 years. At the eleventh hour, NHS London has pulled the rug on its redevelopment into badly needed GP premises. Clearly there is a general issue about bureaucracy. May we have a chance to debate that in the House?

Ms Harman: It is always worth drawing such issues to the attention of Health Ministers in oral questions. Perhaps the hon. Lady will look for an opportunity to do that. It is very important that the NHS manages its assets, including its land assets, properly. That is even

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more important against a background of hundreds of millions—in fact billions—of pounds of extra investment into the NHS. That is important investment to be made to help improve that vital public service, but obviously we want to ensure that every pound is well spent.

Mr. Jim McGovern (Dundee, West) (Lab): May we have a debate in Government time about the provision of apprenticeship schemes when local authorities award contracts to the private sector? It should be incumbent on local authorities to ensure that when they award contracts to private sector companies, such companies have approved accredited apprenticeship schemes that allow apprentices to attend further education colleges. Dundee city council in my constituency has just awarded a contract to a private sector company, but we have yet to receive assurances from the separatist Scottish National party-led council that it will ensure that an apprenticeship scheme is in place.

Ms Harman: My hon. Friend makes an important point. Given how public services, in particular local government, procure services and engage in direct construction projects, they have a major opportunity to ensure that apprenticeships are provided. I know, for example, that that is very much at the centre of the work on the Olympics. I will bring his comments to the attention of the relevant Ministers and ask them to write to him.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): May I draw attention to early-day motion 1739 in my name on fishermen from the Philippines who work on the west coast of Scotland?

[That this House strongly believes that the Government should quickly reconsider its policies regarding fishermen from the Philippines working in the waters around the Outer Hebrides and west coast of Scotland by establishing a six month moratorium on deportations; notes that these fishermen are not unskilled workers as they need several qualifications to engage in the fishing profession while filling a severe shortage of skilled fishing labour in the Western Isles; and further notes that deporting these fishermen will be yet another blow to the Isles as the Government is already planning to close the Hebrides Range which will result in the loss of almost 120 jobs.]

Fishermen's leaders are calling daily to tell me that fishermen are being threatened with deportation or are not being allowed back on to their boats from the Philippines. As a result, at the time of credit crunch, boats are having to tie up. May we have a debate on the importance of beneficial immigration into the UK and, indeed, the high regard with which fishermen from the Philippines are held on the west coast of Scotland?

Ms Harman: Given that those questions cut across the Department for the Environment, Food and Rural Affairs and the Home Office, the hon. Gentleman might want to raise them at DEFRA questions next week.

Mr. Peter Bone (Wellingborough) (Con): On 14 January, Mr. Nicholas Mazordze, a constituent of mine, was promised by the UK Border Agency that his immigration case would be resolved within 28 days. It was not. On 2 May, he was promised by the UK Border Agency that it would be resolved within two weeks. It was not. In June, I raised a parliamentary question on the matter. It is still not resolved. Yesterday, I tried to ring the MPs hotline. That was unobtainable. Will the Leader of the House consider a debate on the shambolic nature of the UK Border Agency?

Ms Harman: The overall performance of the UK Border Agency has improved over the years. I know that as the Member with the most immigration cases of anyone in the House. Certainly, the MPs hotline has been very helpful to many hon. Members over the year. However, the hon. Gentleman has a particular case, which he has now raised on the Floor of the House. I will ensure that it is brought to the attention of the Immigration Minister forthwith.

Gwyn Prosser (Dover) (Lab): When can we have a debate on the free passage of passengers and freight vessels across the channel into Dover? Is my right hon. and learned Friend aware that the French unions are attempting to disrupt the passage of British flagged, British crewed ships, ridiculously describing them as operating under flags of convenience?

Ms Harman: I will raise that with Ministers in the Foreign Office. Part of the importance of us working very closely with other countries in Europe, and making sure that Britain is central and at the heart of Europe, is to ensure that important ports such as Dover, which my hon. Friend champions, can flourish in the future.

Mr. Alan Reid (Argyll and Bute) (LD): This morning's announcement by Consumer Focus that it has found that energy companies are not passing on the full decline in wholesale prices to consumers must be investigated. May we have an urgent statement from the Energy Minister to get to the bottom of that, as it appears that every consumer is being overcharged by an average of £74? Can we ensure that energy companies are forced to pass every penny of the decline in wholesale prices on to the consumer?

Ms Harman: Ministers meet the energy companies regularly. As I said, I will bring to the attention of Ministers the question of reporting the latest situation to the House.

Keith Vaz (Leicester, East) (Lab): May we have a debate on the allocation of resources for the modernisation and adaptation of the homes of the elderly? My constituent Mrs. Bhanji is 86 years of age. She has Parkinson's, she is blind, she has low mobility, but she has been waiting for more than a year for the grant to be approved. I am not apportioning blame between the Government or the local authority, but is important that we have a debate on why that takes so long.

Ms Harman: I will draw the attention of the Minister for Housing to the points raised by my right hon. Friend.

Dr. Andrew Murrison (Westbury) (Con): The National Cancer Intelligence Network has today published alarming figures that show that the gap between the cancer outcomes of the over-75s in this country and those in

comparable countries has widened even further. May we have a debate in Government time on why it is that the Government's national cancer plan is failing our elderly constituents?

Ms Harman: We recognise that there is inequality and age discrimination in the health service. That is why we have put a provision in the Equality Bill to outlaw discrimination in the provision of health services on grounds of age, which is a major step forward. In order to prepare the way for the introduction of that new tough law, a pilot is being undertaken by the Department of Health covering the whole of the South-West regional health authority and also Bristol city council. We are piloting it in advance of the Bill coming into effect in order to tackle age discrimination in the health services. It is disappointing that Opposition Members voted against the Bill on Second Reading.

Dr. Stephen Ladyman (South Thanet) (Lab): By the middle of this century, four times as many older people will need care, and there is a growing funding gap in respect of the care needs of people with complex learning disabilities. Will my right hon. and learned Friend promise that when the social care Green Paper is published shortly, which addresses those incredibly difficult challenges, we will have a significant amount of time in the House to debate the ideas in it?

Ms Harman: Everybody should be in no doubt about the importance of that agenda for the future. It is important not only for the statutory agencies, such as health and social services, but for the voluntary sector, which plays a major role in respect of those issues. It is also important for families, because the overwhelming bulk of care is provided not by agencies or voluntary services, but by family members, who need to go out to work as well as care for an older or disabled relative. I will try to ensure that we have a good opportunity to debate the Green Paper when it comes forward.

Mr. Andrew Mackay (Bracknell) (Con): I am sure that the Leader of the House will agree that the situation in Iran is dire, with the Government there having rigged the presidential election and a number of pro-democracy demonstrators being either killed or imprisoned. She will also be aware that independent informed commentators feel that our Government could have been more robust in the defence of democracy. To put matters right, will she ensure that the Foreign Secretary comes to the House next week to make a further statement on the situation in Iran?

Ms Harman: I know that our Government are working with other Governments to make absolutely sure that the democratic rights of the people of Iran are recognised. That is a matter of great importance to the Iranian people. I remind the right hon. Gentleman that he will have an opportunity to question Ministers in Westminster Hall on 9 July, and that the Secretary of State and Ministers will respond to oral questions on Tuesday.

Gordon Banks (Ochil and South Perthshire) (Lab): Business insolvency is a serious matter, and never more so than nowadays. May we have a debate in Government time to allow us to consider how to improve returns to unsecured creditors, and also how to reduce the fees of insolvency practitioners?

Ms Harman: I shall bring my hon. Friend's comments to the attention of Ministers in the Department for Business, Innovation and Skills.

Mike Penning (Hemel Hempstead) (Con): Perseverance obviously works in the Chamber, Mr. Deputy Speaker. I tried to catch Mr. Speaker's eye earlier today during transport questions, but was unable to do so. With that in mind, may I ask for a debate on the rural roads network? That would allow me to raise the subject of Water End, a hamlet in my constituency which is being shaken to bits by the heavy traffic that goes through it. It was designed for horse and cart traffic, but it is now the main road between Hemel Hempstead and Leighton Buzzard. May we have a debate that would allow us to raise local issues of that kind?

Ms Harman: The hon. Gentleman clearly has an existential problem. It seems that, as well as failing to be called during transport questions, he failed to catch Mr. Speaker's eye during last Thursday's debate on rural affairs. Perhaps I shall be able to suggest a further opportunity for him to put himself forward.

Mrs. Ann Cryer (Keighley) (Lab): May we have a debate to celebrate the qualities and work of Members in all parts of the House? I am becoming increasingly disturbed by the degree of nastiness that is being directed at Members. I know that it began as a legitimate form of investigative journalism, and I have no problem with that, but it has descended into a witch hunt that is hiding from our constituents the very good work that many of us are doing, or trying to do.

Ms Harman: I think that the way in which to address the genuine public anger about the issue of allowances is to show by our actions that we are determined to put the allowances system on a wholly independent footing—to ensure that the rules are clear, and to ensure that they are decided independently by the Parliamentary Standards Authority. I hope that that will not only assuage the public anger, but restore the respect that ought to be given to hon. Members and for this institution.

Mr. Rob Wilson (Reading, East) (Con): The Leader of the House may remember that during business questions on 4 June I asked for a topical debate on how we could help Pakistan and its 3 million displaced people. At the time, the right hon. and learned Lady thought that that was a good proposal. I understand from her statement today
that there is a space on 9 July. May we please have the debate then?

Ms Harman: The Foreign Secretary will answer questions in the House on Tuesday. I suggest that, as well as leaving the issue on my agenda, the hon. Gentleman raise it directly with him.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on corporate responsibility to our communities and, indeed, our country? My right hon. and learned Friend will be aware that today hundreds

[Jim Sheridan]

of workers are on strike in power stations throughout the country. That has been caused by the action of Total, the oil company, which has brought in foreign nationals to undermine the terms and conditions of indigenous workers. May I ask my right hon. and learned Friend to use her good offices and ask Total to act responsibly? If it does not, others will be encouraged to vote for extreme parties such as the British National party.

Ms Harman: We can all well understand, against the background of a global economic crisis, the anxiety that people feel about their jobs. That is why the Government are taking every possible action to step in and protect businesses. We also hope that all parties—both sides in the dispute that my hon. Friend has mentioned—will act responsibly, and talk to each other to try to reach agreement so that work can resume.

James Duddridge (Rochford and Southend, East) (Con): Following discussions between the Prime Minister and Morgan Tsvangirai, the Prime Minister of Zimbabwe, may we have a debate in Government time on what the British Government can do to assist Zimbabweans who want to return to their country to help to rebuild it? I am thinking particularly of the professionals who have, I understand, been identified by the Prime Minister of Zimbabwe.

Ms Harman: It seems that the House is going to be very full for Foreign Office questions on Tuesday. I suggest to the hon. Gentleman that he, too, should try to catch Mr. Speaker's eye on that occasion in order to ask the Foreign Secretary a question.

Mr. Lindsay Hoyle (Chorley) (Lab): A few months ago, I mentioned to my right hon. and learned Friend the plight of charities, particularly the hospice movement, and the need for a debate on the subject. I wonder whether she has heard about the problems of Derian house, a children's hospice in my constituency that serves children from Scotland and throughout England. It has introduced a new service, which cost well over £1 million. The money was raised locally, but the VAT has not been given back to the charity, and £350,000 must now be found. May we have a debate about the hospice movement, and about the plight of Derian house in particular?

Ms Harman: I shall look for an opportunity for the House to debate the hospice movement; it is an important issue, and a number of Members have raised it. As for the children's hospice in my hon. Friend's constituency, there is no need to wait for a debate. I shall bring the matter to the attention of Health Ministers, and try to establish whether it can be resolved more promptly.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The House was elected above all to scrutinise legislation, especially legislation proposed by the Government. I hope the Leader of the House will accept that, while the Government have specified a date when a Bill will be introduced and there will be an opportunity for them to table amendments and new clauses, the scrutiny of that Bill is the business of the House. I welcome her wise decision—which is not a U-turn—to think again about the terms of reference of the Wright commission. I have two requests. First, will the Leader of the House consult members of the commission, who will have been elected by all parties in the House, on the terms of reference before returning the motion to the Order Paper? Secondly, will she open negotiations with the Opposition parties and interested Back Benchers on how her Equality Bill will be scrutinised on Report? It is an important Bill, and scrutiny of it is therefore also important.

Ms Harman: I will do both those things. The hon. Gentleman's point has some validity. It is usual for Government to divide the House's work into Government and non-Government business, but the hon. Gentleman is right to point out that Government Bills are House business and the distinction is therefore somewhat artificial. I hope that the Wright commission will be able to examine those issues.

Mr. Ian Cawsey (Brigg and Goole) (Lab): About 15 minutes ago, Corus issued a statement confirming its proposal to cut more than 2,000 jobs in its long products section, including 500 white-collar managerial jobs. Most of those jobs will be lost at the Scunthorpe works in north Lincolnshire. Given all that the work force have done to try to weather the storm and stay together during the recession, will my right hon. and learned Friend organise an urgent debate on Government support for the steel industry? Will she also ensure that the Business Secretary meets Members from the affected constituencies, along with the trade unions, so that we can do what we can to keep intact a first-rate competitive British steel industry?

Ms Harman: The matter is of great concern to, above all, my hon. Friend's constituents and people in neighbouring constituencies, but it is a matter of national importance as well. I shall draw what he has said to the attention of Business Ministers, and will expect them to meet him and other Members immediately to discuss this important issue.

Mr. David Jones (Clwyd, West) (Con): Will the Leader of the House arrange for the Secretary of State for Environment, Food and Rural Affairs to make a further statement to the House on the circumstances that led to the collapse of the Dairy Farmers of Britain co-operative and on what has happened since? Across the north of England and throughout Wales, more than 1,500 farmers are suffering as a result of not having received their full milk cheques for May. That demands a further statement from the Secretary of State. Will the Leader of the House urge him to make one as a matter of urgency?

Ms Harman: The Secretary of State will be answering questions in the House next week. Given that this has been such an important issue in many regions, I am sure that he will be able to account to the House for the situation then.

Paul Holmes (Chesterfield) (LD): When the Policing and Crime Bill was in Committee in February, the two most important and controversial parts of it—on DNA databases and on anti-gang injunctions—were introduced at the very last minute during the final week, and could not be scrutinised or amended properly. On Report, we

had only 40 minutes in which to discuss DNA. That makes a travesty of the idea that the House carries out democratic scrutiny of the Executive and of legislation.

In advance of the establishment of the Wright commission, will the Leader of the House make a clear statement at the Dispatch Box that in future the Government will not abuse Executive power and will not abuse programme motions, and that we shall never again see such a travesty of democratic scrutiny?

Ms Harman: It is not long until the summer recess, and we hope to establish the Wright Committee before then. I hope that its terms of reference will include the requirement on it to report swiftly, so that these matters can be considered in the context of that Committee.

Mr. Mark Harper (Forest of Dean) (Con): I want to test how closely the right hon. and learned Lady has been listening. I raised with her on 30 April the issue of Ministers—indeed, herself—commenting in the media about the publication of Bills before they are made available to Members of the House. Yesterday, my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) raised a point of order with Mr. Speaker, and the right hon. and learned Lady was in her place. Mr. Speaker said that the thrust of his remarks about Ministers coming to this House first were clear. Has the right hon. and learned Lady thought about that, and is she prepared to say that Ministers will not speak to the media about the publication of Bills until they are available to Members of this House? Mr. Speaker's statement was very clear.

Ms Harman: If notice is given of a ministerial statement and Members come to the House to hear that, it is very important that the first people who are able to ask questions about that statement are Members of this House, not journalists, and therefore it is important that the statement to the House comes first, before it is put into the newspapers or broadcast on radio or television. The matter of Bills is slightly different. I heard what Mr. Speaker said yesterday, and it goes without saying that what he said is, by definition, correct, but, by the time that we reach the presentation of a Bill, there has, usually, been extensive consultation. For instance, I had already made a statement to the House setting out the bones of the Parliamentary Standards Bill before the details of it were published. It is important to try to ensure that the House is respected and that it gets to hear about matters first, but in respect of the publication of Bills there has often already been a consultation process and it is not quite so easy to draw the line. Wherever the line is drawn, however, I hope that I and other Members will stay on the right side of it.

Mark Pritchard (The Wrekin) (Con): The Leader of the House is known as a great equalities champion. Therefore, may we have a debate on inequalities in the current planning system? If she lived in Wales or Scotland and someone wanted to mine an open-cast mine, they would not be able to do so if it was within 500 m of her home, but in England the designated distance is only 100 m. May we have an urgent debate to end that discrimination?

Ms Harman: I will bring that to the attention of Ministers at the Department for Communities and Local Government.

Jo Swinson (East Dunbartonshire) (LD): We have our new Speaker, we will shortly have our new reform Committee, and I hope we have a new mood for change, so can we also have a debate on how new technology can be used to help Parliament better connect with the public?

Ms Harman: The Procedure Committee has been working on the specific question of the public being able to put items on the agenda for debate and votes in this House. It produced a report on e-petitions, so it has done a lot of the groundwork on this already. Perhaps that work can be brought to fruition by the parliamentary Committee that is now being set up.

Mr. Bernard Jenkin (North Essex) (Con): The Parliamentary Standards Bill is, by any standard, an extremely important constitutional measure, yet the deliberations on it are being confined to a mere three days. That means that there will be only 18 hours of debate before it passes through all its stages in this House. Would this House not earn a bit more respect if we delayed the rising of the House for the recess to enable the Government to give more days of debate to this extremely important Bill? By no stretch of the imagination will it be possible to debate every clause and amendment next week.

Ms Harman: I agree that this is an important measure. What we all need to bear in mind, however, is the need for a balance between having proper scrutiny of these important measures and getting the Independent Parliamentary Standards Authority set up and operating without undue delay. I think that having an opportunity to debate the issue on the Floor of the House across three days should give enough time to address what is a relatively short and focused Bill that essentially sets up the Independent Parliamentary Standards Authority and gives it the power to run our allowances. Debate across three days should be enough time for us to be satisfied that we have properly and thoroughly scrutinised the Bill.

Dr. Julian Lewis (New Forest, East) (Con): May we have a statement from the Prime Minister on what he meant when he came to Southampton and told the people of Southampton and Totton in my constituency that they would decide whether or not their tap water was fluoridated? According to the Under-Secretary of State for Health, the hon. Member for Brentford and Isleworth (Ann Keen):

"The Prime Minister's statement serves to highlight the legislative requirements contained in section 89 of the Water Industry Act 1991 whereby a strategic health authority must 'consult and ascertain opinion' before requesting a water undertaker to increase the fluoride content of a water supply."—[*Official Report*, 22 June 2009; Vol. 494, c. 722W.]

All the MPs, including one of the Prime Minister's Cabinet colleagues, have said that, because of lack of public support, the process should not go ahead, yet the undemocratic strategic health authority is pressing on with it. What did the Prime Minister mean when he said that the people will decide?

Ms Harman: The strategic authorities responsible for water should come within the purview of the Regional Select Committees and the Regional Grand Committee. I hope the hon. Gentleman will play his part on the Regional Committee in holding them to account, and that he will raise fluoridation with the relevant Ministers, namely Health Ministers as well as the Prime Minister.

Mr. Ben Wallace (Lancaster and Wyre) (Con): The equipment that keeps our armed forces safe on the front line is developed and manufactured in the United Kingdom, based on research carried out by the Ministry of Defence and its agencies. Unfortunately, the Government have decided this year to cut the MOD research budget by 7 per cent. and are planning a year-on-year cut in that research all the way up to the Olympics and beyond. May we have an urgent debate before we break up, given that our forces will be on operations while we are in recess, so that we can hold Defence Ministers to account for, perhaps, putting some of our soldiers at risk by cutting this budget?

Ms Harman: We do not underestimate at all the importance of research and science, and of investing in that. In fact, although we account for only 1 per cent. of the world's population, we generate 5 per cent. of the world's science and research. This country is at the forefront of science and research, therefore, and the Government have made sure that we invest in it across the board. I know that there has been a great deal of extra investment in the MOD. I do not know whether some of this research has been mainstreamed into other parts of the research community, but I will bring the hon. Gentleman's points to the attention of MOD Ministers.

Susan Kramer (Richmond Park) (LD): The House will be aware that foreign students who have applied to study at UK universities are now withdrawing those applications in droves because they cannot negotiate the new and impossible visa application system. As a consequence, universities will be in financial distress because of the loss of fees that they had been expecting from foreign students. Will the Leader of the House find an appropriate Minister to make a statement to the House, as this matter falls between the stools of two Departments? We must provide some triage for this year, and make sure that changes are made to guard against a permanent loss of foreign students from the UK education system.

Ms Harman: The hon. Lady is right that foreign students are a very important part of our further and higher education system, but they are also important for our economic prospects as students from all around the world are familiar with Britain from having studied here. I am sure that action on the issues the hon. Lady has raised is already in hand, but I will get the Minister to write to her.

Point of Order

12.59 pm

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Mr. Deputy Speaker. As you will know, on today's Order Paper there are a series of motions, beginning with motion 6, relating to the timing and holding of Regional Grand Committees. Item five of the agenda for the Chairmen's Panel next week states that the panel may wish to discuss the planned meetings of Regional Grand Committees debated in the House on Thursday 25 June. You will be aware, Mr. Deputy Speaker, that we are not able to debate these motions because the Government have said they should not be subject to debate, notwithstanding the fact that there will be plenty of time today for such a debate. I also understand that it is not even possible for us to seek to amend these motions, notwithstanding that there has not been any consultation with any members of those Committees on the proposed dates for those meetings. In the case of the South West Regional Grand Committee, of which I am a member by virtue of having been elected to represent Christchurch, the meeting is due to take place during the family school holidays and that has not been the subject of any consultation. Is this not an intolerable state of affairs, Mr. Deputy Speaker, and how can you help Back Benchers to have some power over these matters?

Mr. Deputy Speaker (Sir Michael Lord): I am afraid that these are not matters that can be resolved this afternoon. The motions have been tabled and they are in line with the Standing Orders. It is not a matter for the Chair what the Chairmen's Panel decides to debate when it meets next. The hon. Gentleman is right that these matters have to be put today, but his points are now on the record and will be thought through by those people who need to consider such matters.

Mr. Greg Knight (East Yorkshire) (Con): Further to that point of order, Mr. Deputy Speaker. Cannot my hon. Friend the Member for Christchurch (Mr. Chope) find some consolation in the fact that, as a matter of procedure, these motions are votable?

Mr. Deputy Speaker: Yes, that is correct.

Business of the House

Motion made, and Question proposed,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on:

(a) the Motion in the name of Ms Harriet Harman relating to Regional Select Committee (London) not later than one hour after the commencement of proceedings on the Motion for this Order; and

(b) the Motions in the name of Ms Harriet Harman relating to Standing Orders Etc. (Machinery of Government Changes) and Parliamentary Pensions not later than five o'clock;

such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; the Questions may be put after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Barbara Keeley.)*

1.1 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): We have the extraordinary situation in which we are discussing a business motion, but a substantial part of the business has already been withdrawn by the Government. Given that the motion to establish a Select Committee on the reform of the House was withdrawn yesterday—the same day that it was tabled—the House will have much more time than it would otherwise have had to discuss the remaining motions.

May I put on the record my agreement with the comments made by my hon. Friend the Member for Christchurch (Mr. Chope) and say that it is regrettable that we will not have the opportunity to debate the motions on the Regional Committees, especially as there has been no consultation on them? That means that Members will have more than enough time to make their views plain on the proposal to establish a Regional Select Committee for London, as well as to comment on the motion to change the Select Committee structure that follows the recent reshuffle and consequential changes to Departments.

I see no reason why we will not have enough time to consider the proposal to have a Science and Technology Committee, a point that was made at last week's business questions by many hon. Members. We should also have more than enough time to debate the motion and amendment on parliamentary pensions. Following the Government's U-turn last night on their proposals, we all look forward to the Leader of the House explaining her new position. It is not the intention of the Opposition to put the business motion to a Division, but this motion shows the Government's complete disarray.

1.3 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): There will be great rejoicing that there is so much support for and interest in the Regional Grand Committees in motions 6 to 13. That underlines the point that my right hon. and learned Friend the Leader of the House has been making—that Members on both sides of the House should take part in Regional Committees and ensure that all those initiatives, including the Grand Committees, go forward as robustly as possible and extend regional accountability, which I am sure we all support.

My right hon. and learned Friend gave several answers at business questions on the issue of the parliamentary reform Committee. We are moving ahead on a consensual basis, in consultation with all interested parties, and we hope to bring forward an agreed resolution as soon as possible. The motion on the science Committee is included in the next motion on the Order Paper.

1.4 pm

Mr. Christopher Chope (Christchurch) (Con): I had not intended to participate in this debate, but in the light of the incredibly disingenuous remarks from the Deputy Leader of the House, I shall do so. Surely she would accept that the way to ensure consultation with people in the regions is to consult Members to see whether the dates proposed for the meetings of these Grand Committees are convenient. The substantive motions are not debatable, so perhaps I may take this opportunity to ask the Deputy Leader of the House—I would be happy to give way to her—to explain why the dates chosen are reasonable—

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman is widening the debate a little too far. It is not his fault, because both Front Benchers have led him astray, but I would be grateful if he would now confine his remarks to the motion.

Mr. Chope: The motions curtail the debate today to 5 pm at the latest, when the Divisions will take place. However, I understand that the Government intend to accept the amendment on motion 5, which means that there will be a potential gap between 5 pm and 6 pm—perhaps even a longer gap if the debate finishes early—during which time it would be possible to discuss other issues.

Mr. Greg Knight (East Yorkshire) (Con): Does my hon. Friend agree that the time necessary to debate these matters could have been much less if proper consultation had taken place beforehand?

Mr. Chope: I agree with my right hon. Friend. Consultation is the key, and it is clear that it is not taking place between occupants of the Front Benches or with Back Benchers on key procedural matters. If the Deputy Leader of the House is too stubborn to admit that she has made a mistake on this occasion, perhaps she will reflect on the fact that this is causing immense disquiet among Back Benchers, who feel left out of the loop. They have been presented with a fait accompli—the motions cannot be amended—and are frustrated to note that the Government are wasting the House's time at the same time as they are forcing legislation through on tight timetables.

I hope that the Deputy Leader of the House will agree that these are issues of immense gravity and seriousness, and go to the heart of the question of whether this is a Chamber of the legislature or just somewhere for the Executive to do their own thing.

Question put and agreed to.

Regional Select Committee (London)

1.8 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move,

That Standing Order No. 152F be amended by inserting after paragraph (1) the following new paragraph:

(1A) A select committee shall be appointed for London, to examine the Government's regional policies for London and the Government's relationship with the Greater London Authority and regional bodies.

The establishment of Regional Select Committees has been the topic of extensive debate and consideration in this House, and this is a planned addition to those Committees that are already up and running on an experimental basis for the remainder of this Parliament. The background is that in November 2008, the House decided to put in place an effective and visible improvement in the scrutiny and democratic accountability of the public agencies and public policies that operate in the eight English regions outside London.

In Scotland and Wales, and in every region in England there are important public agencies spending billions of pounds. These are public bodies spending public money in the public interest, and it is right that they should be publicly accountable, through this House, to the region they serve.

Mr. Mark Field (Cities of London and Westminster) (Con): Does the Leader of the House not understand that many Members of Parliament, on both sides of the House, who represent seats in the capital—as we both do—feel that this Committee will be a ludicrous talking shop? We already have full scrutiny by 33 local authorities, the Greater London assembly and the Mayor. In one sense, we also have scrutiny by the Government office for London, which still exists, more than nine years into the mayoralty. What purpose can a Select Committee really have?

Ms Harman: As I shall say as I proceed with my comments, although there are different levels of accountability—the London boroughs, the Mayor and the London assembly—there is also an accountability gap, which this Select Committee is necessary to fill. To put it honestly, it was the Conservatives who thought there should be no London-wide accountability at all and abolished the Greater London council. This Government brought accountability back to London through the London assembly, and strengthened it still further with the Mayor. We still think there is an accountability gap, which the Select Committee is necessary to fill.

Mrs. Jacqui Lait (Beckenham) (Con): Will the right hon. and learned Lady give way?

Ms Harman: I will give way to the hon. Lady, who was no doubt in the vanguard of plans to abolish the GLC.

Mrs. Lait: I think most Conservatives are still pleased that the GLC went. Will the right hon. and learned Lady please list those bodies in London that are not already scrutinised by the Greater London authority—other than the Government office for London, which should of course be scrutinised by the relevant Department—that this Regional Select Committee should consider?

Ms Harman: If the hon. Lady will bear with me, that is exactly what I intend to do as I set out the case for a Regional Select Committee for London.

As I have said, when public bodies spend public money in the public interest, they need to be publicly accountable through this House to the region they serve. In the face of a global economic crisis affecting every region, the work of Regional Select Committees is even more important so that we can ensure that public policy to take action to protect businesses and jobs is effective, and so that we can be sure that taxpayers' money is being used in the most effective way. Without Regional Select Committees, there is an accountability gap at regional level.

Susan Kramer (Richmond Park) (LD): Will the right hon. and learned Lady give way?

Ms Harman: I will. However, I know that the hon. Lady's party is refusing to take part in any of the Regional Select Committees, so it will not surprise me—although it will be disappointing—if she, too, joins the voices against a Regional Select Committee for London.

Susan Kramer: The right hon. and learned Lady entirely anticipates my view. Will she explain why the accountability gap cannot be filled by using the existing bodies, rather than creating yet another Committee, as too many cooks are the best way to ensure that real accountability fails?

Ms Harman: If the hon. Lady will let me get on with my speech, I shall answer that question.

On 12 November 2008, the House agreed that there should be a Regional Select Committee for each of the administrative regions in England, except for London. London has been treated differently because London has different governance from the other regions, including different levels of accountability to elected representatives. I point out to London Members that Wales and Scotland also have Select Committees and Grand Committees in addition to their devolved Assemblies.

Justine Greening (Putney) (Con): They also have Welsh questions and Scottish questions, so why not fill the accountability gap with London questions?

Ms Harman: If a London Grand Committee is established in addition, it will certainly be possible to hold the Minister for London to account. Indeed, it is possible for all London Members to ask questions of Government Ministers about London issues—whether those Ministers are in the Home Office or the Department of Health—and they do.

We took the view that the different governance arrangements in London warranted further consideration in the light of the experience of the other Regional Select Committees. We felt that that consideration and further consultation should take place before we came to the House with this proposal. Before and during the debate, Members, as well as those outside the House, made representations to me for a London Select Committee and I committed to bringing forward proposals to the House, following further consultation.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I welcome this initiative. Does my right hon. and learned Friend agree that it is important that a Regional Select Committee should not attempt to cover the same ground as the Greater London authority, which has an important scrutiny role in relation to the Mayor? London has some very definite regional characteristics relating to its public services and labour market, and it is very important that we should be able not just to question the Minister, but to do some in-depth work to investigate these problems and to make representations about regional interests.

Ms Harman: My hon. Friend is absolutely right. The Select Committee needs to fill that accountability gap. Of course, we support the work of the London boroughs and they should be working actively on the economy and employment issues that she mentioned. We set up the Greater London authority and we brought forward the legislation for a Mayor for London. Far from undermining their roles, we want to strengthen accountability in London. There remains a gap, and the Select Committee will fill it.

Mr. Christopher Chope (Christchurch) (Con): Will the right hon. and learned Lady give way?

Ms Harman: I will press on with my speech, if I may.

Since March 2009, Regional Select Committees have been undertaking their work. Following the agreement of the House, all the Committees have been set up, they have members and they have selected Chairs. All have announced their first inquiries. All are considering some aspect of the recession's effect on the regional economy, and the response of Government and agencies to that. They have completed the written evidence stages and are now hearing oral evidence. By the summer recess, the Committees will have held some 20 public evidence sessions.

One important aspect of the work of these Committees is their capacity to take evidence from a wide range of stakeholders in the specific region, achieving important locally focused engagement. Meetings have taken place across the English regions under the purview of the Regional Select Committees—for example, in Barnsley, Liverpool, Reading, Gateshead and Swindon.

Many regional organisations, such as the regional branches of the Federation of Small Businesses, the regional organisation of the CBI, the citizens advice bureaux and the learning and skills councils, together with representatives of industry and banking, have appeared before the Regional Select Committees to offer their expert opinions on how their region is coping with the downturn, the effectiveness of public policy in the region and what is needed to support the recovery in that region. Key Government agencies with a role in delivering the Government response to the recession, such as the regional development agencies and Government offices, and regional Ministers, have also contributed to the investigations undertaken by the Committees.

We look forward to the reports from the Regional Select Committees in the coming weeks and months, and to considering how the relevant lessons learned from across the country can help to ensure effective accountability of both policy and spending in the face of the current economic difficulties and that, for the people in each region, the necessary effective action is delivered.

In the light of the experience of the Committees, it is now right to bring forward the motion to establish a Select Committee for London. We propose that the London Select Committee should have the same powers and composition as those of the other Select Committees for the regions. As I said, there are different governance arrangements in London, such as an elected Mayor and the London assembly. Some of the regional bodies, such as Transport for London and the London Development Agency, are accountable to the Mayor and subject to scrutiny from the assembly. However, there are many important areas of national policy on public services that impact on London—including health, and crime reduction—and are the responsibility of Ministers as well as the London boroughs.

The Government retain considerable responsibility for delivery by many key agencies and non-departmental public bodies operating in London, including NHS London, the learning and skills council, Jobcentre Plus and Her Majesty's Courts Service and Prison Service. Although we acknowledge the differences between London and other regions, London should not be denied the opportunity afforded to other regions to hold such bodies to account, on Londoners' behalf, through their Members of Parliament.

Mr. Andrew Dismore (Hendon) (Lab): A very good example of that is the current review of acute stroke and major trauma services going on within NHS London, in which the boroughs are advancing different positions. It is a regional issue that is below the radar of the Select Committee on Health, but is it not an ideal example of how a London Committee could do some value-added work to hold NHS London to account and check whether those proposals are indeed in the interests of Londoners?

Ms Harman: I absolutely agree with my hon. Friend. As a Member of Parliament for a London constituency, I know that there are issues on which London MPs, working through a Select Committee, could achieve greater accountability on my constituents' behalf. Health issues, for example, inevitably cross constituency boundaries. They do not fall within the purview of the London boroughs and are not the responsibility of the assembly. On their own, they would justify the work of a Regional Select Committee, so I strongly agree with my hon. Friend.

The motion has been subject to consultation with hon. Members, the Mayor of London and his office, the London assembly and the London boroughs, and my right hon. Friend the Minister for London, whom I am glad to see is here for the debate. It is clear that there is no consensus about the value of a London Select Committee, even though it would not duplicate the scrutiny that already exists. Instead, it would complement that scrutiny by focusing on the impact of Government policies in London, including the work of the Government office for London and the regional bodies.

The motion establishes the Committee only for the lifetime of this Parliament. At the end of that time, there would be an opportunity to review the London Committee—if we set it up, which I hope we will—and

[Ms Harman]

all the other Regional Committees to see how they have worked. Opposition Members are being intransigent if they are not prepared to allow the Regional Select Committees to be established even on an experimental basis until the end of the Parliament.

I hope that hon. Members will reflect on the matter and support a Regional Select Committee to hold Government organisations to account on behalf of Londoners. I commend the motion to the House.

1.21 pm

Justine Greening (Putney) (Con): The motion returns us to a subject—the establishment of Regional Select Committees—that the House has debated at some length already. My hon. Friend the Member for Christchurch (Mr. Chope) is no longer in his place, but we heard his concerns about how these proposals are being rolled out. I do not want to reprise the earlier debate about establishing Regional Select Committees across the rest of the country, as I want to focus on London, but I shall give a brief rundown of the various concerns expressed.

The first concern was that Regional Select Committees would cost a lot of money and that there were better alternatives. Secondly, concerns were expressed about their composition and the fact that there was no mechanism allowing MPs not from a particular region to be on that region's Committee. The same concern has been expressed in respect of London, but people were worried above all that the Regional Select Committees' work would duplicate the important work done by the 41 Select Committees that already exist. We have similar concerns about a London Regional Select Committee.

The Leader of the House said that the objective was to fill an accountability gap. We all recognise London's unique devolution settlement, and we agreed that there was an accountability gap in other parts of the country, but we did not believe that that problem could be solved by setting up a new Regional Select Committee to go alongside the unaccountable regional development agencies, regional assemblies and all the other quangos that we have at regional level. We believe that the solution is to make sure that all the decisions taken by those bodies should be taken further down in local government. Regional Select Committees would not then have to look at those matters, as they would be scrutinised and decided at a much more local level than is currently the case.

As the Leader of the House said, London has a unique devolution settlement. We are now on our second directly elected Mayor, and the London assembly has its own elected members. They must feel that the move to set up a London Regional Select Committee is a vote of no confidence by Ministers in the assembly's ability to scrutinise London and its Mayor.

Ms Buck: We have spent the past few weeks in an intense debate about how to strengthen the scrutiny role of Members of Parliament and this Chamber. I fail to understand how the hon. Lady's objections to the proposed Committee square with the desire of her party leaders to ensure that Members of Parliament can be more active in holding Ministers and those who run public services to account.

Justine Greening: I suppose that I have two responses to that. First, Back Benchers can hold Ministers to account: as an Opposition Back Bencher, I think that I can hold Ministers to account on London issues such as Heathrow as well as anyone. Secondly, although the hon. Lady is right that we need more accountability, why can we not get that through having London questions? Why spend several hundred thousand pounds on a Regional Select Committee for London when, as my hon. Friend the Member for Cities of London and Westminster (Mr. Field) said, people want not another talking shop but direct and immediate representation, with hon. Members being able to ask questions and get answers? Surely we should be trying that first to see whether it works.

Mr. Lee Scott (Ilford, North) (Con): An example was given earlier about health and London's stroke services. Does my hon. Friend agree that the people best placed to scrutinise such matters would be the health committees of the London boroughs? They deal with such matters daily, in liaison with Members of Parliament. Surely they would be best placed to scrutinise what is going on.

Justine Greening: I thoroughly agree with my hon. Friend.

Mr. Dismore: The hon. Lady mentioned having a London Question Time, but she will be aware that in such sessions a Member asking a question gets only one supplementary, and that only two or three supplementary questions will be asked from around the House on any particular matter. A good contrast to illustrate the point is provided by the Liaison Committee's questioning of the Prime Minister. Instead of the half-hour bun fight that we have on Wednesday afternoons, the Liaison Committee gets the Prime Minister for two and a half hours, which means that we can develop themes in great detail and question him at length. We simply could not do the same in a London Question Time.

Justine Greening: Approximately 60-plus MPs will not be able to be part of any London Regional Select Committee because it will have only nine members. A London MP who does not belong to that Regional Select Committee will not have the same opportunities as would be provided by a London Question Time.

If the objective is to scrutinise policy as it affects London, that is already fulfilled by existing Select Committees, as some of the reports undertaken over the past five years or so demonstrate. For example, the Transport Committee has produced reports on the London congestion charge and the performance of London Underground, while the Culture, Media and Sport Committee has done one on the London Olympics. The former Education and Skills Committee did a report on skills in London, while the Home Affairs Committee has produced a report on counter-terrorism and community relations in the aftermath of the London bombings. Only a couple of weeks ago, we were in this Chamber debating the report from the Home Affairs Committee on knife crime that had a clear resonance for London. There is nothing to prevent Select Committees from looking at London issues where they are of real importance, and they do that already.

Mr. David Burrowes (Enfield, Southgate) (Con): Does not the intervention by the hon. Member for Hendon (Mr. Dismore) illustrate the Government's wrong-headed approach to the proposal for a London Regional Select Committee? Mention has been made of having a London Question Time, but should not any concern about scrutiny be addressed by the London assembly, which should ensure that its structures and procedures in that regard are robust? If scrutiny in areas such as health needs to be improved, should that not be devolved to the London boroughs?

Justine Greening: My hon. Friend is absolutely right. That is another option for tackling the problem that the Government say exists, but is not the Mayor already accountable to Parliament? He is directly accountable to Londoners, of course, and he is also scrutinised by the London assembly, but he is also summoned here regularly to be held to account by Select Committees. Even the previous Mayor was up in front of Select Committees seven times in eight years, when he was asked about a whole range of issues. The new Mayor has been in place for just over a year, but in that short period he has already appeared before five Select Committees. Clearly, therefore, MPs can scrutinise what the Mayor is doing through topical investigations by existing Select Committees, and they can also question him directly.

People in city hall will probably look at this debate and feel that it is a little top down. A lot of debate goes on here about issues that really matter to London, and yet the assembly and the Mayor must wonder why they cannot summon MPs. For example, we voted here about post office closures after Londoners had made it clear that they wanted the closure programme to end. The Mayor and London assembly must wonder why they cannot summon MPs and relevant Ministers about such matters, or why the Secretary of State for Transport cannot be summoned to explain the decision to go ahead with the expansion of Heathrow, even though it goes against what Londoners want.

Why are Ministers trying to undermine the London assembly? As my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) says, one of the options should be further to strengthen the London assembly, but we hear no discussion of that—everything is top-down.

Clive Efford (Eltham) (Lab): One of the arguments that the hon. Lady makes about a London Committee is based on the inaccurate information she has just given about post office closures across London. If we had had the opportunity to scrutinise such proposals as a London-wide body, we might have had more success in protecting post offices. Is she seriously saying that as a London Member of Parliament she does not want a say on strategic issues that involve a number of Departments, and possibly the Mayor and city hall as well, and to come up with reports to try to guide the Government and the Mayor in the direction the people we represent want us to take?

Justine Greening: The hon. Gentleman seeks to create a mish-mash of democracy where MPs would be attempting slightly to play the role of London assembly members. London assembly members are unable ultimately to scrutinise all the matters that affect London, but what we need to do is make the existing structure work better. Those are not my words but those of London Councils when they were consulted. The Leader of the House was right when she said that there had not been consensus. London Councils said:

> "In principle London Councils believes that increased local accountability can be better achieved by broadening the scope of existing scrutiny mechanisms".

Apparently, that view was ignored; yet again, top-down management from the Government.

I shall draw my comments to a close. Ministers must realise that the electorate's concern right now is not just about the quality of government, and its quantity—of course there is too much of that; a plethora of unaccountable regional government tiers has been set up. There is also concern about the quality of our democracy.

Mr. David Evennett (Bexleyheath and Crayford) (Con): My hon. Friend is making a powerful case. One of the things I have tried to get the Leader of the House to do is to hold an annual debate on London, just as we have a debate on Wales on St. David's day. Would that not be another way for us to raise London issues and put our concerns on record, rather than having the costs and administration of a new Committee?

Justine Greening: My hon. Friend is quite right. That would be yet another option for ensuring that London MPs could hold to account people who are taking decisions that affect Londoners, but of course it is probably too good an idea to be considered by the Government because they are so wedded to their costly, duplicative and interfering Regional Select Committee approach that they seem hell-bent on taking it no matter how much it costs and how ineffective it will be.

Mr. Chope: I feel entitled to participate in the debate because I was born in Putney and was a great supporter of the abolition of the Greater London council. Does my hon. Friend think that underlying the motion is the Government's state of denial, because they were defeated in the recent London mayoral election?

Justine Greening: I did not want to make the debate excessively political because I think that at heart the approach is structurally wrong for accountability whichever Mayor and whichever Government are in power. However, my hon. Friend is right to touch on that point. What concerns me about the proposals is that they feel like the politicisation of Select Committees, which have always been independent of the Executive. That has always been their biggest strength.

It feels to me as though the Leader of the House, like so many of her Cabinet colleagues, is merely shifting the deckchairs on the Labour Government Titanic. The biggest danger is that the proposals could undermine the effectiveness of our local devolution in London, through the Mayor and the London assembly. As my hon. Friend the Member for Christchurch (Mr. Chope) said, Londoners had their say in the mayoral election last year. Now, like the rest of the country, we want to have our say about the accountability gap, which is real, but a general election will fill that gap, not a London Regional Select Committee. We have elected our Mayor, now we want the chance to elect new MPs and a Prime Minister who actually has a real mandate.

1.34 pm

Mr. Andrew Dismore (Hendon) (Lab): I certainly welcome the proposals, which are long overdue. We should have considered them six months ago when the other Regional Select Committees were being proposed. It is a regrettable oversight that the London Committee was not proposed at the time, and I am grateful to my right hon. and learned Friend the Leader of the House for listening to the representations made by my hon. Friends and me that London should be included in the programme of Regional Committees.

The Opposition put a false dichotomy. From my point of view, the more we scrutinise the activities of the Government and Government bodies, the better. I see no objection to a London Question Time; it is a good idea. I see no objection to an annual debate on London; that is a good idea, too. Indeed, when I was first elected, we used to have an annual debate on policing in London—usually on a Friday morning, but it was welcome nevertheless. However, there is no reason why, having accepted and indeed agreed with those propositions, we should not also have a Select Committee for London, because there is no doubt that there is a significant accountability gap for various bodies for which the Government are responsible.

Angela Watkinson (Upminster) (Con): Can the hon. Gentleman envisage the London Select Committee, were it to be in place, considering a matter that had been devolved to the London assembly and reaching a different conclusion from the assembly? There would thus be two separate bodies with different conclusions about how a policy should be set, or how a matter should be resolved. What would be the pecking order between the London Select Committee and the London assembly?

Mr. Dismore: It would be most unlikely that the Select Committee would want to look at something that was entirely devolved to the London assembly, although we might find that there were areas of joint or overlapping responsibility. Of course, it is possible to come to a different conclusion, but that does not necessarily mean that different conclusions should not be reached or considered. Think-tanks in the outside world come to different conclusions. There is nothing wrong with that; it helps to inform debate and, ultimately, leads to better decision making when different points of view are expressed after detailed consideration.

The hon. Lady is right; there may be different conclusions. For example, there are significant overlapping responsibilities on housing policy. There are the Mayor's responsibilities. He has just published his draft housing strategy, with which I profoundly disagree, signally on the abolition of targets for affordable homes. The boroughs have housing policies, some of which are in conflict with the Mayor because the boroughs are trying to negotiate different numbers. There is the Government's overarching strategy to try to provide decent, affordable homes for the people of London. The role of the Homes and Communities Agency, a central Government body, is vital in that operation. Indeed, a round of negotiations is going on between my borough and the HCA to try to get the money needed to support some of the regeneration schemes, which have run into the sand for reasons that I will not go into now. It would be helpful if a London Select Committee could call Mr. Bob Kerslake to discuss the policies of his agency towards London. It has actually been very difficult for us to get hold of him to discuss some of the issues.

Earlier, I mentioned the NHS London consultation, which has just closed, on proposals for acute trauma and stroke services—if we can call it consultation, and I have been quite critical of it. The proposals were of major interest in each of our boroughs, which have advanced different positions. For example, there are proposals for four major trauma units. The fourth will be at either the Royal Free or St. Mary's, and there are significant differences across London about which should be chosen. Indeed, some people argue whether four is the right number.

Similarly, in relation to stroke services, there is a strong argument about whether the eight places selected are the right ones for hyper-units and, again, whether eight is the right number. The best way of dealing with that issue would be to call Ruth Carnall and the other people at the top of NHS London who are involved to give evidence to a London Select Committee and answer those very detailed questions.

Mrs. Theresa Villiers (Chipping Barnet) (Con): The hon. Gentleman and I are as one on the importance of stroke services and major trauma centres, but he has not explained why a London Select Committee will be more effective in highlighting those issues than the Greater London assembly, which his Government created.

Mr. Dismore: Because the NHS is a central Government service—I would have thought that that answer was self-evident. The NHS is accountable to the House, like the Government, but it is only indirectly accountable to the GLA and the London assembly. Borough scrutiny committees will of course examine health issues, but only from the perspective of their individual borough. The hon. Lady will know that Barnet, which we represent, has formed a particular view, but that is very different from Hammersmith's view. How can those differences of view be reconciled except through an overarching inquiry by a pan-London Select Committee of the House that scrutinises officials and holds them to account? Such a Committee will be able to call officials such as Ruth Carnall and the medical experts who have been giving opinions as part of the consultation. Indeed, they could be held to account for the appalling way in which the consultation has been conducted.

Mrs. Villiers: One advantage that the GLA would have over a London Select Committee when scrutinising such matters is that its members would have been elected by Londoners, whereas I understand that a London Select Committee could have members from all over the country.

Mr. Dismore: I hope that would be very unlikely. If the motion on membership of the Committee included a plethora of non-London Members, I for one would not vote for it, and I doubt that the hon. Lady would either. I, like her, have certainly been elected by Londoners.

Mrs. Lait: May I dig a little deeper into the Select Committee's role that the hon. Gentleman envisages? Following the ongoing consultation on stroke and trauma, is he suggesting that after the strategic health authority's

board reaches a conclusion, it could be overruled by the Select Committee? In such circumstances, would the SHA have a role as the body that should make decisions about London health, or would it be subservient to the London Committee?

Mr. Dismore: The hon. Lady knows that that is not the constitutional position. Members of the House are not the Executive, but the legislature. In that context, London's SHA is part of government and must be held to account for the decisions that it makes. It would not be for the Select Committee to overrule the SHA, but it would be able to express its views and opinions to influence the debate and the decision-making process. The ultimate decision would be taken by Health Ministers and the SHA, but it would be the job of London Members—collectively, through the Select Committee—to inform the debate.

The hon. Member for Putney (Justine Greening) talked about post office closures in response to an intervention from my hon. Friend the Member for Eltham (Clive Efford). I have no axe to grind because I was one of the rebels on post office closure, but it is important to bear it in mind that responsibility for post offices lay with Business, Enterprise and Regulatory Reform Ministers at that time. The London Committee could have held BERR Ministers to account and discussed policies on post office closures with them, and then the Committee could have formed a view. That could not have been achieved in any other way except through the much wider debate on post office closures, which was very difficult to participate in because many Members wished to speak.

My hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) talked about employment policy. We all accept that London's economy is different from the rest of the country's. London faces challenging economic circumstances and, in the light of what has happened in the City, the problems facing its labour market are completely different from those in other parts of the country. Neither the Treasury Committee nor the Work and Pensions Committee is holding an inquiry into London's job market, but the London Committee would probably want to examine the way in which Government policy affects London's labour market in the City and throughout the wider city. To pick up the point made by the hon. Member for Upminster (Angela Watkinson), such an inquiry could involve working with the London Development Agency and the GLA, but given that economic policy is a matter for central Government, a London Committee should hold central Government Ministers to account on their policy for London.

Justine Greening: The hon. Gentleman makes an interesting case. He says that economic policy in London is fairly and squarely a matter for the House, so he must be unaware of the huge amount of work being done under the Mayor's auspices in city hall to determine what can be done to help Londoners and London's economy to navigate their way through the recession. His suggestion sounds like an absolute duplication of what the London assembly and the Mayor are trying to deliver for London.

Mr. Dismore: I do not think that the hon. Lady was listening to what I said. I was giving an example of complementary responsibility. I cited the NHS to illustrate something that is central Government's responsibility, but I was picking up the point made by the hon. Member for Upminster and setting out an area of overlap. I fully accept that the GLA and the Mayor's office are examining some of these policies, but responsibility for the economy lies with Treasury Ministers, and we can hold Ministers to account through the Select Committee process in a way that the GLA cannot. That is why it is important that we establish the Committee although, of course, there would be no reason why the Committee could not take account of work carried out elsewhere. We must, however, recognise where the responsibility lies.

Justine Greening: I take the hon. Gentleman's point, but I think that he is forgetting to whom he is accountable. If we asked any owner of a small shop whether they would prefer money to be spent on a Regional Committee that reports on the recession in London, but duplicates all the work of the Mayor and the GLA, or spent on directly supporting shops, they would probably go for the latter. He talks about this as though it is an interest point and a study programme, but we are meant to be representing our constituents and working alongside other tiers of government. He suggests going far beyond that with a structure that will be sheer duplication and will cost taxpayers money that they cannot afford.

Mr. Dismore: I disagree with the hon. Lady. The same would be true if we asked anyone whether they would like money spent on one thing rather than another. Given the reputation of the House in the outside world, people would probably suggest abolishing the lot of us and spending the money on something else, but that is not really the answer to the point. We are trying to develop effective scrutiny.

I see that time is running out, so I shall draw my remarks to a close. I believe that the proposed Committee will be a valuable addition to the scrutiny of policy affecting London and Londoners.

1.47 pm

Tom Brake (Carshalton and Wallington) (LD): Hon. Members will be familiar with the background to the setting up of Regional Select Committees and the crucial vote on their composition, which was won with a Cabinet Minister's casting vote. The Leader of the House knows that my party does not object in principle to the establishment of Regional Committees or the London Committee, but we object to the composition agreed by the Government. We also have doubts about the ability of Regional Committees and the London Committee to do their job of holding Government agencies and quangos to account.

The process cannot work without real consultation—my hon. Friend the Member for Somerton and Frome (Mr. Heath) gave an example of a complete lack of consultation during business questions—or when Members in a region are not represented in the right proportion on a Regional Select Committee. I acknowledge that the London Committee will be one of the few—if not the only—Regional Committee whose membership, albeit completely by chance, reflects the proportion of MPs in the region. The process certainly cannot work effectively if, as is the case on other Regional Committees, a Minister's Parliamentary Private Secretary is holding

[Tom Brake]

that Minister to account. That is not a way of ensuring that regional quangos and other bodies are scrutinised effectively, as it clearly involves a significant conflict of interest. The Leader of the House talks about Opposition intransigence, but she would do better to consider whether there is intransigence on the part of the Government and an unwillingness to be flexible about the composition of the Regional Committees. The Liberal Democrats therefore cannot agree to the establishment of the London Regional Committee. As I have stated, I acknowledge that the composition of the London Committee would roughly reflect the number of MPs of different parties across London, but that has happened by accident, rather than design.

The second reason why we have serious reservations about the establishment of the London Select Committee is that we, like the Government, wanted a transfer of powers when the Greater London authority was set up. Indeed, we wanted a more significant transfer of powers to the Mayor and the London assembly than there has been. In many ways, that would have done away with the need for a Regional Select Committee, because the Mayor and the assembly would have held more powers, so the scrutiny role would have been undertaken by the assembly. It would have had a wider range of powers and responsibilities to consider, so there would have been even less demand for a London Regional Select Committee. However, I accept that certain areas of Government policy would remain within the remit or control of the national Government, rather than the London government. Hon. Members have referred to health; there is no reason why significant health powers could not be delivered at a London region level, rather than provided by national Government locally in London. If so, it would have made sense for the assembly to conduct scrutiny at that London level.

We have the same concerns as others do about the duplication that is taking place. When the London assembly and the Mayor's powers were set up, the expectation was that the Government office for London would go, but its powers and budget seem to have increased, rather than decreased. There is no end in sight to the duplication that arises as a result of the Government office for London remaining in place after the creation of the assembly and of the London Mayor's powers.

If there is an issue relating to scrutiny, by all means let us look at whether the assembly needs additional powers; it could also propose additional powers itself. There may be issues to do with the extent to which it carries out its scrutiny role, particularly as regards the London Development Agency and the £100 million that may or may not be missing. If there are issues, I am sure that they can be addressed. Other hon. Members have made sensible suggestions about having a London Question Time or an annual debate in the House about London.

Members who have been in the House as long as I have, or roughly as long, will know that in earlier years, but not so much in the past couple of years, we had a series of one-and-a-half-hour Adjournment debates on London issues, on subjects such as the police or health. That seems to have died down, partly, I suspect, as a result of the transfer of powers to the London assembly and the Mayor. London Members do not feel quite as engaged, or that they have as much responsibility, as they did prior to the implementation of the Greater London Authority Act 1999. However, there are other ways in which we can boost scrutiny, and give Members greater oversight of the matters that are still of interest to them in London, without setting up a London Regional Select Committee.

Angela Watkinson: The hon. Gentleman referred to the scrutiny role, and to the role of powers. It is not clear whether the London Select Committee would have any powers at all, or whether it would simply be a scrutiny body. It is difficult to see how it could influence decision making in this place, in the London assembly, or in any other public body, unless it had powers. However, if it had powers it would be creating duplication, as he rightly said.

Tom Brake: I thank the hon. Lady for that intervention. My assumption is that the London Select Committee would have the same powers as every other Select Committee; in other words, it would have the power to make recommendations and to bring Ministers to appear before it. However, in practice, as we Members all know, if the Government, or possibly the Mayor or the London assembly, choose to disregard those recommendations, there is nothing that we Members can do about it, apart from draw attention to it in debate and so on. I agree that that is a valid point to which Ministers need to respond.

To conclude, there are no guarantees about the London Select Committee's composition, and there is not clarity about what scrutiny it will provide that is not provided by the London assembly. Until that clarity is there, the proposal cannot be allowed to proceed.

Question put.

The House divided: Ayes 224, Noes 132.

Division No. 157] **[1.55 pm**

AYES

Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne

Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Malik, Mr. Shahid
Mann, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Roy, Lindsay
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, rh Angela E. *(Basildon)*
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stuart, Ms Gisela
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Ayes:
Mark Tami and
Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Bone, Mr. Peter
Brake, Tom
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Carswell, Mr. Douglas
Chope, Mr. Christopher
Cormack, Sir Patrick
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Gummer, rh Mr. John
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, David
Howell, John
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Mates, rh Mr. Michael
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony

Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Widdecombe, rh Miss Ann
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Bill Wiggin and
Jeremy Wright

Question accordingly agreed to.

Ordered,

That Standing Order No. 152F be amended by inserting after paragraph (1) the following new paragraph:

(1A) A select committee shall be appointed for London, to examine the Government's regional policies for London and the Government's relationship with the Greater London Authority and regional bodies.

Standing Orders etc. (Machinery of Government Changes)

[Relevant documents: The Fourth Special Report from the Innovation, Universities, Science and Skills Committee, on the future of science scrutiny following the merger of DIUS and BERR, HC 662.]

2.8 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I beg to move,

That, with effect from 1 October 2009, the following amendments and related provisions be made in respect of Standing Orders:

A. SELECT COMMITTEES RELATED TO GOVERNMENT DEPARTMENTS

(1) That Standing Order No. 152 (Select committees related to government departments) be amended in the Table in paragraph (2) as follows—

(a) leave out items 1 and 11; and

(b) insert, in the appropriate places, the following items:

Business, Innovation and Skills	Department for Business, Innovation and Skills	11
Science and Technology	Government Office for Science	14

B. RELATED PROVISIONS

(2) That all proceedings of the House and of its select committees in this Parliament in respect of the Business and Enterprise Committee and of the Innovation, Universities, Science and Skills Committee shall be deemed to have been in respect of the Business, Innovation and Skills Committee and the Science and Technology Committee, respectively.

(3) That for the purposes of Standing Order No. 122A (Term limits for chairmen of select committees) the Business, Innovation and Skills Committee and the Science and Technology Committee shall be deemed to be the same committees as the Business and Enterprise and Innovation, Univerities, Science and Skills Committee, respectively.

C. LIAISON COMMITTEE

(4) That the Resolution of the House of 13 July 2005 relating to Liaison Committee (Membership) be further amended by leaving out, in paragraph (2), 'Business, Enterprise and Regulatory Reform' and 'Innovation, Universities, Science and Skills' and inserting, in the appropriate places, 'Business, Innovation and Skills' and 'Science and Technology'.

D. EUROPEAN COMMITTEES

(5) That Standing Order No. 119 (European Committees) be amended, by leaving out in the Table in paragraph (6) in respect of European Standing Committee C, 'Business, Enterprise and Regulatory Reform' and 'Innovation, Universities and Skills' and inserting 'Business, Innovation and Skills'.

Mr. Deputy Speaker (Sir Michael Lord): With this we shall discuss the following: Motion 5—*Parliamentary Pensions*—

That this House endorses a package of changes to the Parliamentary pension scheme, backdated to 1 April 2009, which is judged by the Government Actuary to make savings equivalent to 2.9 per cent. of payroll, thus capping the Exchequer contribution at 28.7 per cent., consisting of—

(1) an increase in member contribution rates—

(a) from 10 to 11.9 per cent. for a pension building up to an accrual rate of 1/40th of final salary for each year of service,

(b) from 6 to 7.9 per cent. for a pension building up to an accrual rate of 1/50th, and

(c) from 5.5 to 5.9 per cent. for a pension building up to an accrual rate of 1/60th; and

(2) the application of the scheme's maximum pension limit of two-thirds of final salary to all scheme members for future service.

Amendment (a), at end add

'and calls on the Leader of the House to bring forward further proposals which will cap the Exchequer contribution for 2009–10 at its 2008–09 level.'

Barbara Keeley: On the machinery of Government changes, the House will be aware that when changes are made to the structure of Departments, a Government motion is needed to make the necessary consequential changes to the structure of departmental Select Committees. The motion therefore reflects the creation on 5 June of the new Department for Business, Innovation and Skills, which takes on the responsibilities of the former Departments for Business, Enterprise and Regulatory Reform and for Innovation, Universities and Skills. Shortly after the new Department was created, the Select Committee on Innovation, Universities, Science and Skills published a report recommending the re-establishment of a Select Committee on Science and Technology. That reflected the final recommendation of the former Science and Technology Committee, which was abolished in 2007, when the Department for Innovation, Universities and Skills was created.

My right hon. and learned Friend the Leader of the House received a letter in support of the proposal from the chief executives of the Royal Society of Chemistry, the Institute of Physics, the Institute of Biology and the Royal Academy of Engineering and from the executive secretary of the Royal Society. I am pleased to say that the Government accept the Committee's recommendation. The motion provides for the re-establishment of a Science and Technology Committee as part of the family of departmental Select Committees and it has a remit to examine the expenditure, administration and policy of the Government Office for Science.

Dr. Brian Iddon (Bolton, South-East) (Lab): I am grateful to my hon. Friend for giving way so early in her speech and to the Government for having listened to the learned societies' call to re-establish the Science and Technology Committee. It is being re-established today, however, as a departmental Select Committee, whereas it was a free-standing Committee before, with cross-cutting oversight of all Departments, including outside agencies. Will my hon. Friend confirm that, despite the Committee being set up today as a departmental Select Committee, it will still have the remit of the former Science and Technology Committee?

Barbara Keeley: I shall address in due course the good point that my hon. Friend has just made.

The motion and the steps to be taken reflect the position between 1992 and 2007, when the Science and Technology Committee was appointed to examine the work of the Office of Science and Technology, part of the old Department for Trade and Industry. The role of the Government Office for Science is somewhat narrower than that of the old Office of Science and Technology. Although the interpretation of the Committee's terms of reference is a matter for the Committee itself, the Government hope that it will take a wide-ranging approach to its remit, examining the full scope of science policy and related matters across the Government. That approach certainly worked well for the old Committee, which conducted inquiries into subjects as diverse as evidence-based policy making, classification of illegal drugs, regulation of hybrid embryos and the work of the research councils.

There is an argument for establishing an explicitly cross-cutting Committee with its own Standing Order to examine such issues, and we are sympathetic to that idea, but at this stage in the Parliament, the new Committees can be expected to run for only seven months from October, so we think it right for us to revert to the old status quo, retaining the existing membership and chairmanship of the two Committees, but changing their titles and terms of reference.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Like the hon. Member for Bolton, South-East (Dr. Iddon), I am a former member of the Science and Technology Committee and a member of the current Innovation, Universities, Science and Skills Committee. I welcome what the Minister said, particularly her interpretation that it should be possible for the Committee to consider how science is dealt with across Government Departments. As she said, the focus on evidence-based policy making means that there is a role to play in scrutinising the Government carefully in respect of their treatment of evidence at large across Departments. That is one of the reasons why I welcome this motion today.

Barbara Keeley: That is another well-made point.

The Government will, of course, be happy to reconsider the position in the next Parliament if the Committee's experience suggests that any change is needed.

Peter Luff (Mid-Worcestershire) (Con): As Chair of the soon-to-be Business, Innovation and Skills Committee, may I say how much we welcome the pragmatic approach adopted by the Government on this issue? I promise my Committee's wholehearted and pragmatic support for the arrangements that the hon. Lady has outlined to the House this afternoon.

Barbara Keeley: I thank the hon. Gentleman.

The second motion concerns pensions. Public service pension schemes must be affordable and sustainable in the long term. The cost of the parliamentary pension scheme has risen, mainly because of increased longevity. Today we are considering changes to the scheme that will limit the impact of that increase on the taxpayer.

Barry Gardiner (Brent, North) (Lab): I entirely accept that the costs of the scheme should rise to reflect increased longevity. However, will the Minister explain the gearing effect of the three different regimes, which are based on accrual rates of one fortieth, one fiftieth and one sixtieth of final salary respectively? A Member would have to live for 3.54 years, 3.95 years and 4.76 years beyond retirement age to achieve the annual amount put in by the 5.9 per cent., 7.9 per cent. and 11.9 per cent. pensions respectively, given what their funds should have created in the meantime.

Barbara Keeley: My hon. Friend will not be surprised to learn that I cannot answer that off the top of my head. However, I will ensure that an answer to that specific question will reach him.

Mr. Christopher Chope (Christchurch) (Con): As the Minister will know, the issue of increasing pension costs because of longevity also applies to the police pension scheme. Why in the case of the police pension scheme will the whole cost of longevity be borne by the taxpayer rather than by the contributions of the police themselves?

Barbara Keeley: If the hon. Gentleman waits for the rest of what I am going to say, he will see that issues need to be resolved and discussed, and that a wider debate needs to be had. This short debate is probably not the time for that. I am happy to take interventions, Mr. Deputy Speaker, but people will have time to make speeches this afternoon.

Sir Nicholas Winterton (Macclesfield) (Con): No doubt my hon. Friend the Member for Christchurch (Mr. Chope) will pursue the matter of the police pension. I had correspondence with the Minister's predecessor, the hon. Member for Rhondda (Chris Bryant). She has replied on his behalf, confirming that the Treasury, as the employer of Members of Parliament, took a contribution holiday of 14 years from the parliamentary contributory pension scheme. The Minister confirmed that to me, but she did not say how much the taxpayer and the Treasury were saved as a result. How much has that holiday affected the deficit that the pension fund has recently faced?

Barbara Keeley: We can look at that issue in the wider debate as we go forward. However, as I have to keep emphasising, the key thing is not to go back in time. We are where we are in terms of the pension scheme. The real factor is that its cost is escalating because of longevity. There were both Labour and Conservative Governments between 1989 and 2003. The question was not about a pensions holiday, but about reducing the Exchequer contribution when there was a surplus. That situation does not pertain now. The key thing is for us to focus on the feelings of the public about their funding of our scheme. That is what I am really talking about today.

Barry Gardiner *rose—*

Sir John Butterfill (Bournemouth, West) (Con) *rose—*

Barbara Keeley: I am not going to take any more interventions at the moment. My speech is short, but it is important that I get through it. We have until 5 o'clock, and I really must make progress.

Sir Nicholas Winterton: My hon. Friend the Member for Bournemouth, West (Sir John Butterfill) is chair of the trustees of the parliamentary contributory pension fund.

Barbara Keeley: Indeed; there are Members with great expertise in the Chamber, and I am sure that they will make their contributions. However, it is important that I lay out the position.

The changes proposed in the motion before the House will cap the Exchequer contribution in line with the resolution of the House in January 2008. On 24 January 2008, the House endorsed the recommendation of the Senior Salaries Review Body that the cost to the Exchequer of the accrual of benefits should be limited to 20 per cent. of payroll. That figure excludes payments to pay off the deficit identified in the 2005 valuation of the fund; the two elements have been treated separately.

The Government Actuary published his valuation of the scheme in March 2009, and he advised that the Exchequer contribution would need to increase from 26.8 per cent. to 31.6 per cent. of payroll if no other action was taken. As I mentioned, that is primarily because members of the scheme are living longer and pensions are therefore payable for longer. On 31 March this year, my right hon. and learned Friend the Leader of the House announced in a written statement that the Exchequer contribution would be capped at 28.7 per cent. of payroll. That was in line with the recommendation of the Senior Salaries Review Body, as already endorsed by the House. My right hon. and learned Friend proposed a set of changes that would make the necessary savings of 2.9 per cent. of payroll, and proposed that those be backdated to 1 April 2009.

The changes consist, first, of an increase in member contribution rates, which will yield a saving of 1.7 per cent. of payroll. Secondly, the scheme's maximum pension limit of two thirds of final salary is to be applied to all scheme members in future. That change will yield savings of 1.2 per cent. of payroll. The increase in member contribution rates will mean that scheme members will have a choice of paying 11.9 per cent. of salary for an accrual rate of one fortieth; 7.9 per cent. for an accrual rate of one fiftieth; or 5.9 per cent. for the new accrual rate of one sixtieth, which is coming in shortly. All those are laid out in the motion.

The other proposed change will mean that, from 1 April 2009, no member of the scheme will be able to build up further benefits in excess of the two-thirds limit. Only a small number of scheme members can currently do so. It is important to make the point that, on average, an MP in the House serves just over 12 years. The motion therefore brings forward the interim measures necessary to cap the Exchequer contribution immediately, in line with the January 2008 resolution of the House.

Sir Nicholas Winterton: The Minister has just mentioned a matter that has an impact on me, so I declare that interest.

Will it be worth while for an MP over the age of 65, who has reached the maximum two thirds of final salary, to continue to contribute to the scheme, or will they in fact be making a contribution for no return? If there are to be limited returns, what will they be?

Barbara Keeley: The point is to set a limit so that people in that situation will not be able to accrue further benefits. The vast bulk of members of the scheme are those who have entered the House newly or in the past couple of Parliaments. The average service of an MP is just over 12 years, so as I have said, only a small number of members of the scheme are in that situation. *[Interruption.]* I can get the hon. Gentleman a detailed answer to his question, but we are getting into a lot of detail, whereas I am laying out general principles. As I have said, the motion brings forward the interim measures necessary to cap the Exchequer contribution immediately, in line with the January 2008 resolution of the House.

I believe that the amendment in the names of the hon. Member for Northavon (Steve Webb), my right hon. Friend the Member for Birkenhead (Mr. Field) and the hon. Member for Twickenham (Dr. Cable) supports the changes to the scheme put forward in the

motion tabled by the Leader of the House. However, it calls on her to bring forward further proposals to cap the Exchequer contribution for this year at its 2008-09 level. Achieving a freeze in the Exchequer contribution at 2008-09 rates could involve a further increase in member contribution rates, an increase in pension age, some combination of the two, or other measures. There are a great number of possibilities that we could consider. Clearly, further analysis will be needed on the various options that would avoid an increase in the Exchequer contribution.

We expect there to be more wide-ranging reform in the future. On 13 February this year, my right hon. Friend the Prime Minister commissioned the Senior Salaries Review Body to conduct a fundamental review of pension provision for MPs, Ministers and other parliamentary office holders. I know that some of the right hon. and hon. Members who are in their places are starting to engage with that review. The Prime Minister asked for it to consider the full range of options for reducing the Exchequer contribution. Those options included, but were not restricted to, increases in the pension age, increases in members' contributions, changes in the accrual rate and a consideration of the overall merits of defined contribution or money purchase arrangements. We are considering the Government's evidence to the review, and we will make an announcement in due course.

Susan Kramer (Richmond Park) (LD): Will the Minister indicate whether she proposes to accept the amendment tabled by my hon. Friend the Member for Northavon (Steve Webb)?

Barbara Keeley: Members are running just ahead of where I am in my comments, and I will come to that in a moment. I thank the hon. Lady for her intervention.

I have outlined the changes necessary to limit the impact on the taxpayer of increases in the cost of the parliamentary pension scheme. The interim measures in the motion will enact the earlier decisions made by the House to cap the Exchequer contribution. The Government were already considering further measures to avoid an increase in Exchequer contributions from the pre-April 2009 level. The amendment is consistent with that further consideration. My right hon. and learned Friend the Leader of the House is therefore content to return with further proposals to ensure that the Exchequer's contribution this year does not exceed that of last year. Because all these measures affect the current year, and because there are many detailed questions to answer, I am sure that it will assist Members to know the extent of their contributions to the scheme when we return to the debate. We will do that as soon as possible, and we will present all the various options that could make the freeze happen.

2.24 pm

Alan Duncan (Rutland and Melton) (Con): I thank the Deputy Leader of the House for giving the Government's position on these two motions. As she said, we are discussing the establishment of a dedicated Select Committee on science and some changes to the parliamentary pension scheme, to which an amendment has been tabled, primarily by the Liberal Democrats.

The changes to the machinery of government in the last reshuffle were, I fear, made in a hurry, and in many respects for all the worst reasons. Because the Prime Minister did not have the power to change his top team as he wished, he had to satisfy a clash of ministerial egos by carving up a Department completely on the hoof—so much so that some civil servants returned to their desks after lunch to find that their Department had been abolished in the meantime. As I am afraid is often the case in reshuffles, no serious thought was given to the implications for hugely important areas of policy on the back of the reshuffle that was suddenly conducted.

In this case, I think we all accept that the biggest loser, apart from some individuals, was science. When the Prime Minister took up his post in July 2007, he broke up the Department for Trade and Industry and shoved science into the Department for Innovation, Universities and Skills. As a result, the Science and Technology Committee was abolished and subsumed into the wider Committee on that Department, despite the serious protestations and concerns of the science community.

In the Prime Minister's latest Cabinet reshuffle, science became a bit of a plaything of the noble Lord Mandelson, and was seen right from the start as being just one part of an over-inflated and largely unaccountable department. The Department for Business, Innovation and Skills has 12 Ministers in all, half of whom—including the supposed Science Minister—are not in this House. The latest report of the Select Committee on Innovation, Universities, Science and Skills made it clear that because the Committee's remit was stretched so wide, it had struggled to give Government science policy the level of scrutiny that it deserved. The new DBIS Committee, being even larger, would have been totally unable to handle the scale of the issues at hand, as it will already have to deal with the Royal Mail and EU regulation, along with universities and measures to stimulate manufacturing.

There are two reasons why it is particularly important at this time to scrutinise the Government's spending and activity on science and technology. First, as the Innovation, Universities, Science and Skills Committee said, there is a widespread view that British technology and its research and innovation can help us climb out of this recession. The weakness of the pound is providing a much-needed boost for manufacturing opportunities. Although a weak pound is not good for everyone, the Government should be encouraging manufacturers to seize the initiative by investing in research and development. Secondly, science will be central to Britain's ability to respond to the major challenges of the future, from climate change to tackling swine flu or any other form of pandemic flu.

The creation of a new Select Committee on Science and Technology is therefore an important step in holding the Government to account and ensuring that science policy is not merely a departmental addendum. Indeed, my hon. Friend the Member for Windsor (Adam Afriyie) has been ardent in his campaigning for such a Committee. We welcome the decision and hope that the Committee will go about its work with all the energy and enthusiasm that this area of activity merits.

Let me turn to pensions. The question of pensions generally is one of the most potent areas of public debate. Ten years ago we had some of the best pensions in the world; now we have some of the worst. The public

[Alan Duncan]

sector seems to do far better than the private sector. In the private sector, which used to have many amply funded final salary schemes, the vast majority of schemes, if they have not closed already, are heading towards the closure that their funding now requires. In the middle of all that and all the difficulties that we have faced over the past few weeks, this House looks as though it has one of the most protected and generous schemes, compared with anybody else. We have the trustee of the scheme on our Benches this afternoon, my hon. Friend the Member for Bournemouth, West (Sir John Butterfill), who will go into the details more than me.

Mr. David Drew (Stroud) (Lab/Co-op): The hon. Gentleman has put his finger on it: our pension scheme looks as though it is one of the most generous, but when we look into it, we see that it is no more generous than many other public sector schemes. If I was to retire at 60, I would receive no more money from the parliamentary scheme than I would have received from my other pension scheme, as a classroom teacher. We do ourselves a disservice by making it appear as though we have a very good, copper-bottomed pension scheme. It is a good scheme, but it is no better than many others in the public sector.

Alan Duncan: The House will have heard what the hon. Gentleman has said. There are many arguments surrounding the scheme, many of which are difficult to put in the current climate of public opinion. By and large, the scheme would have been totally self-funding, had the Government not taken such a long contributions holiday. The Minister has today made the point that the tenure of Members, unlike others in the public sector, is quite short, at only 10 or 11 years. Indeed, the final salary is exactly the same in one's 30th year in this place as it is on the day one is first elected. In that sense, there is no progression through the ranks of seniority, which would otherwise dramatically add to the pay-out made.

All those arguments are understood, but we have to accept that we are living at a time when, given the position in the public sector and the private sector, our pension scheme sticks out like a sore thumb. The policy of my right hon. Friend the Leader of the Opposition is to wind up the scheme for new entrants. In the meantime time, however, we have to look at its funding, its benefits and its terms and conditions, to which end the Government have tabled their motion today.

One element will be welcomed by the public, which is that we are going to contribute more out of our pay packets. However, there is another, unfortunate aspect, which is that we are in the middle of a number of changing forces, which would have made it better for the Government not to have tabled anything at all just at the moment. The trustees are looking at the scheme in detail, as is the Senior Salaries Review Body. In the middle of all that, the Government have tabled today's motion, but at the same time, they are asking the Exchequer to contribute more. That is what people find difficult.

The Government could have looked at alternatives. The main reason, above all others, why the actuaries looked at the arithmetic and decided that the fund needs more money is that former members—and, as the predictions of the actuaries go, existing and future members—are living longer. The issue is longevity much more than it is the value of the fund. At a time when the Government intend to raise the state pension age, it looks odd that they have not considered, as their first priority, raising the age at which former members can benefit from the pay-out.

Barbara Keeley: The key point is that all those things were looked at, but two points pertain to today's debate. One is that we needed a simple interim measure to cap the Exchequer contribution, and that is what we have in today's motion. The Government have to enact the decision made earlier by the House. The second and most important point is that there was already a review—the Prime Minister asked the Senior Salaries Review Body for a review in February—so in some ways we are moving ahead on things ourselves, even though there is parallel action outside this place. I can tell the hon. Gentleman that a great deal of work has been done, and that it will be possible to present a spread of options for hon. Members to review. We are aware that the SSRB is also undertaking its own review and taking evidence from hon. Members, and we would not wish to prejudge any recommendations that it might make.

Alan Duncan: Despite what the Deputy Leader of the House says, she should, in all honesty, admit that the Government have been rather clumsy about this. If he catches your eye, Madam Deputy Speaker, the chairman of the trustees, my hon. Friend the Member for Bournemouth, West will be able to explain this in detail, but I am not confident that we have been consulted in the depth that the issue merits. So, something that was sprung on us by the Government has rather backfired, leading to their having to face the full wrath of the newspapers last night, and seeing what they were planning to write the next day—that is, today—forced them to change their mind about their attitude to this issue.

So it is that the amendment tabled by the hon. Members for Northavon (Steve Webb) and for Twickenham (Dr. Cable) and the right hon. Member for Birkenhead (Mr. Field) appears to have been accepted by the Government, and taxpayers are not now going to face a demand for much greater contributions. With the amendment having been accepted by the Government, I sense that the whole House is likely to agree to proceed on that basis. Nevertheless, I very much hope that the Government will be less clumsy on this issue in the future.

2.36 pm

Mr. David Heath (Somerton and Frome) (LD): I shall deal first with the points about the machinery of government. The hon. Member for Rutland and Melton (Alan Duncan) has echoed things that I have repeatedly said in the past about the way in which the Government changes departmental nomenclature and reorganises desks and offices apparently on a whim, without any thought for the consequences of those moves. It worries me that we so regularly see changes to the structure of government Departments appear to be based mainly on the desire for titles for those in the Cabinet, rather than on a genuine cost-benefit analysis of how they will make the Government run better.

The reason for the changes that we are debating today is that that which was cast asunder has now been

reunited, all in order to add to the splendour of the titles of the—what is he called now?—the First Secretary of State. I think that that is now the principal title of the noble Lord Mandelson of Foy and Hartlepool, or wherever it was—

Andrew Mackinlay (Thurrock) (Lab): The supreme pontiff.

Mr. Heath: I am not sure whether the noble Lord Mandelson builds many bridges, but we shall see.

I do not think that this is the right way of doing business. I hope that we will eventually reach a point at which, if a Prime Minister wishes to change the structure of government, he will argue the case properly by putting a paper before the House and allowing Select Committees to consider the consequences, before then proceeding on a basis of knowledge and understanding of the properly projected advantages and disadvantages, rather than on the rather haphazard basis that we have at the moment.

Having said all that, these changes have been made and we need to respond to them in regard to the way in which we organise the Committees of the House. As the Minister knows, my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis), the hon. Member for Bolton, South-East (Dr. Iddon) and I have been discussing the consequences of the changes for the Science and Technology Committee. I cannot for the life of me understand why the Leader of the House did not immediately see the strength of the argument and just accept what was a perfectly proper request, particularly as it was backed up—as the hon. Member for Bolton, South-East said—by the learned societies, which know a thing or two about these matters.

The Science and Technology Committee, before it was renamed, was an ornament to the House. It was a very valuable body. I served on it for three years in what I like to think of as its golden age. It was a wonderful Committee, precisely because it did not have to spend all its time looking at the activities of a particular Department and because it could range so widely over the scientific and technological aspects of the way in which the Government operate and pick out the areas in which it had particular expertise, or draw on such expertise, in order to inform the House and the Government. That is why the terms of reference are so important. I am pleased that the Deputy Leader of the House expanded on the Committee's role in her own words as it is not said on paper. I hope that some sort of Pepper *v.* Hart procedure will be adopted in the House, so that there is no misunderstanding on the part of the Government as to the range of the Committee's activities.

In its previous manifestation, the Science and Technology Committee sometimes ran into difficulties. As the hon. Member for Bolton, South-East will remember, we received a very dusty response from the then Home Secretary when we were looking at aspects of the scientific response to terrorism. He made it very clear that he did not think that this was anything to do with the Science and Technology Committee and asked us please to poke our noses somewhere else rather than in his Department. He not only discouraged us from looking at what the Home Office was doing, but he actually put pressure on the Department for Transport to ensure that we did not know what that Department was doing either.

I hope that it will be very clearly understood in Government that the Science and Technology Committee has a roving brief, that it must be able to follow its nose in deciding what is appropriate for it to look at and that it must be able to define its own role. If it does so, it will be able to perform the very useful tasks that it has done previously and we should wholly welcome that.

In moving on to deal with pensions, let me say immediately that for me to talk about that subject in the presence of my hon. Friend the Member for Northavon (Steve Webb) or the hon. Member for Bournemouth, West (Sir John Butterfill) is nonsense; I have nothing like their expertise and I will not pretend to have it. My hon. Friend the Member for Northavon will therefore explain the consequences of his amendment himself.

I was a little surprised to read in some of this morning's newspapers that the initiative to amend the pensions motion came from the right hon. Member for Witney (Mr. Cameron). When I looked at the amendment, I could not see his name. I could see the names of my hon. Friends the Members for Northavon and for Twickenham, (Dr. Cable) the right hon. Member for Birkenhead (Mr. Field) and my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris), but not the name of the right hon. Member for Witney, so I wondered how he could have been responsible for the Government's change of heart—*[Interruption.]* Perhaps the hon. Member for Rutland and Melton can explain.

Alan Duncan: Since I have been invited to explain, perhaps I could put it down to the unique influence in this House of both the Leader of the Opposition and myself.

Mr. Heath: Unique and almost invisible! That is something on which we all congratulate the hon. Gentleman. Let us set that aside, however, and simply say that the strength of the argument that my hon. Friend the Member for Northavon is about to adduce is so strong that it is unanswerable, so the Government will accept the amendment.

On a serious note, it is almost unbelievable to reflect how adept this House is at producing public relations disasters. To be asking for yet more taxpayers' money to support the MPs' pension scheme at the precise moment when there is so much criticism of what we do is quite extraordinary. That is why the amendment is so important. Is there a deficit? I understand that deficits are reported by actuaries, but I have no confidence in actuarial science. I suspect that exam papers for actuarial science are very similar to exam papers in economics; as it used to be said, the questions are the same each year, it is just the answers that change. Actuaries never seem to be consistent for more than one year, but there we are.

Jo Swinson (East Dunbartonshire) (LD): I am sure that my hon. Friend shares my welcome for the Government's acceptance of the amendment tabled by our hon. Friend the Member for Northavon (Steve Webb). It is surely vital for the House to reduce the costs to the taxpayer—both in the short term and, as the Deputy Leader of the House pointed out, in the medium term, hopefully as a result of the Senior Salaries Review Board review—because it is simply unsustainable for us as MPs continually to go back to the taxpayer asking for more money for our pensions. It is unsustainable in terms of MPs' pensions and, ultimately, with so

[Jo Swinson]

many people living longer, that kind of action will be unsustainable in terms of public sector pensions more generally.

Mr. Heath: My hon. Friend is absolutely right. If the issue is longevity, as I suspect it is, some of our constituents will have an easy answer to the longevity of MPs—

Andrew Stunell (Hazel Grove) (LD): Off with their heads.

Mr. Heath: My hon. Friend reads my mind perfectly. Longevity is something we have to live with—*[Interruption.]* I am sorry. The view of the general public, rightly or wrongly, is that pension schemes are uniquely helpful to Members of Parliament. We must take account of public opinion in that respect.

We must take careful cognisance of a further reason: there is a problem with all public sector pensions. Unless we in the House can clearly demonstrate that we are taking a lead, we will not be able to introduce the necessary reforms to public sector pension schemes. Public sector pensions are not constructed in the same way as private sector pensions now are. There is an unsustainable difference, and unless we are prepared to take difficult decisions, we will not be able to square that circle. We will not persuade a single person working in the public sector that there is a necessity to reform pension schemes if we are unable to reform our own.

Mr. Chope: I agree wholeheartedly that the consequences of longevity should be borne by the members of a scheme. Is Liberal Democrat policy therefore that the consequences of longevity should be borne, for example, in the police force scheme, by the policemen themselves, rather than by the taxpayer?

Mr. Heath: There are real problems with the police scheme. As the hon. Gentleman might recall, I used to be chairman of the Avon and Somerset police authority. One of our recurrent problems in balancing our budget each year was the difficulty of paying for the police pension scheme. Many things are not clearly understood about the police pension scheme, not least the contribution made by police officers, but the difficulty has never been resolved.

The same applies to the pensions of chief fire officers, for instance. When I was leader of Somerset county council, I worked out that the council was sustaining in work or pension 10 chief fire officers, who tend to retire early and who had schemes that cost a lot of money. I do not resent public sector workers having adequate pensions, but we must accept that there will be increasing difficulties in paying for some of those pension arrangements out of the public purse. We must be honest about that, as we must be honest about all our difficulties with the national Exchequer and the deficits that we are building up. We must work out how to do so with respect for the individuals concerned, understanding the circumstances of those who work in the public sector while recognising that the current position is increasingly unsustainable.

Andrew Stunell: I have listened with care to my hon. Friend's wise words. Does he agree that it is impossible for the House to change public sector pension arrangements for other groups until it has tackled the issue for Members of Parliament? It is no good taking splinters out of other people's eyes when we have planks sticking in our own.

Mr. Heath: I always thought that the biblical expression was "mote", but perhaps we no longer refer to motes in the House. However, my hon. Friend is right.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I have listened carefully to the debate, which seems to be ranging into the parliamentary pensions under review by the Senior Salaries Review Body. Should Members of Parliament accept that review in totality before it reports?

Alan Duncan: It is part of a fragmented process.

Mr. Heath: I note the comments of the hon. Member for Rutland and Melton from a sedentary position, and he is right. We have not given a sufficiently clear brief as to what exactly we expect to emerge from the process. I seriously hope that when we ask external bodies to look at these matters, we accept the results of what they say. However, we also have to be aware of the context in which we work and, as I have suggested, set an example of how we expect pension schemes in the rest of the public sector to evolve. I would have some difficulty if the two were incompatible. That is my honest response. However, my argument has always been that when we ask independent bodies for their advice, generally we should accept it unless there are strong reasons not to do so.

As I said, I am no expert on pensions. It is important that we hear from those who are experts. They can ask all the difficult questions, such as those that the hon. Member for Brent, North (Barry Gardiner) put to the Deputy Leader of the House. I have great sympathy with her; a glazed look came over her eyes as she was asked those complicated questions, to which I certainly would not know the answer. On the basis that the Government are going to accept the amendment, I hope that we can agree to the motions. I also strongly welcome the fact that the Government have accepted, albeit with a slight time delay, our arguments on the Science and Technology Committee.

2.51 pm

Mr. David Drew (Stroud) (Lab/Co-op): I want to elaborate on my intervention on the hon. Member for Rutland and Melton (Alan Duncan). However, I start by saying that I welcome the Government's new-found heart on the Science and Technology Committee. I wish that every success and hope that we can call it the "Ian Gibson Memorial Committee", although that might be too controversial at the moment.

We do ourselves a great disservice. A canard has been allowed to spread, deliberately and maliciously, that we have an all-singing, all-dancing, most wonderful pension scheme that cannot be improved on, and that we must feel really guilty about anything to do with it and must never argue back that it is a high-contribution scheme, which has evolved over time and takes account of many of the frailties of people who serve in the House. It has to be looked at from the position that many do not do well out of the parliamentary scheme.

My starting point is that although the average time of service is 12 and a bit years, which some of us have just about reached, many hon. Members do not serve anything like that time. Many people who come into politics, particularly parliamentary politics, have made enormous sacrifices in their lives. They do not have other pensions to fall back on. I know from personal experience, having talked to people who retired at the last election, that the pension on which they were relying from this place was effectively the only decent pension they got, but of course it was only for the time that they served here.

Steve Webb (Northavon) (LD): The hon. Gentleman is my constituency neighbour and nobody would accuse him of being greedy or grasping, and his conduct repeatedly shows that he is not that kind of person. Therefore, I am slightly puzzled by his argument. He seems to be saying that for people with a poor pension record who come into Parliament, the parliamentary scheme should make up for lost time. That would apply to people who have had nothing before and those who have very generous provision, because the same rules apply to all of us. Surely he is not saying that our scheme should make up for the mess of the rest of our pension rights, whether we have them or not.

Mr. Drew: No, I am not saying that. I would have voted for the amendment because it is right and proper in these times of austerity that we in this place make sacrifices, and I am pleased that the Government saw the rightful nature of the amendment and accepted it. My point is that we need to argue the case that parliamentary pensions are not the golden goose that some people pretend they are, and I look forward to hearing from the hon. Member for Bournemouth, West (Sir John Butterfill), who knows the true situation much better than probably anyone else in the House and I do.

Unless we make that point, we shall for ever be written about as though the pension were one of the perks that go with the job—one of the elements that make us more equal than most. As we heard from the hon. Member for Christchurch (Mr. Chope), many other people in the public sector receive better pensions than we do, and that may be a good thing. The hon. Member for Northavon (Steve Webb) shakes his head. He ought to talk to some chief police officers and chief fire officers. If they were honest, they would say that their pensions were far better than ours. They have security, which is the one thing that we never have in this place. Given the way in which things are going, some Members may have even less security than they thought they had. We need to introduce some balance.

Kelvin Hopkins (Luton, North) (Lab): I sympathise with much of what my hon. Friend is saying. He has mentioned balance. Surely public sector pensions—perhaps including ours—have been in the firing line recently not because they are particularly good, but because of the failure, weakness and diminution of pensions in the private sector. I have every sympathy for anyone who is currently suffering a threat to his or her occupational pension. Should not the Government, and indeed all of us, seek ways in which to ensure that the private sector does not suffer as it seems likely to?

Mr. Drew: My hon. Friend will not be surprised to hear that I entirely agree with him. Perhaps we should spend more time thinking about private pensions, rather than indulging in navel-gazing by discussing our own pensions.

The hon. Member for Macclesfield (Sir Nicholas Winterton)—I might call him my hon. Friend in this context—made a useful observation. We are in our present mess because, as has happened with so many other pensions, we allowed an undue holiday to arise, with the result that the pot is far less full than it should be. Let me reinforce the hon. Gentleman's point by saying to the Minister that it would be good to see the figures. If nothing else, that would enable us to hold our heads a little higher and to say, "Yes, this is the additional Treasury support for which we have asked—after all, the Treasury is our employer whether we like it or not—but the Treasury gained throughout the period during which there was either no contribution or no additional contribution, as there should have been, because of the holiday."

Notwithstanding what has been said about the so-called £5 billion raid, I have always been adamant in my belief that one of the two greatest problems in the public sector is the pension holiday. That is certainly true in much of the private sector, but anyone who considers some of the ways in which local authorities have manipulated pension funds over the years will see what I mean. The other great problem is the mania for early retirement. In the Equality Bill Committee on Tuesday, I argued against what is lovingly described as "the national default retirement age", which I used to call "65", because I consider it to be a form of discrimination. As I said then, one of the things on which we ought to pride ourselves—I will cast no aspersions—is the fact that no such discrimination exists in the House of Commons. Many Members remain here until they are well past 65 and there is no pressure for them to go any earlier, other than what the electorate might do to them. The early retirement mania has never affected this place in terms of its representation.

Barbara Keeley: I have some information that may help my hon. Friend and others who have referred to the pension holiday, as the reduction in Exchequer contributions has been described. This year's increase is entirely due to higher costs caused by the longevity to which Members have referred. It is possible that the years of reduced Exchequer contributions led to increased contributions in 2003 and 2006, but it remains the case that the Government do not pursue a policy of overfunding during a period of surplus. Whatever Members may think about actuarial science, the Government have to follow the guidance of the Government Actuary.

Mr. Drew: I hear what my hon. Friend says, but I always thought it the epitome of madness that when more money was available, we imposed a cap, so that when we were then in a time of difficulty, we never had enough money because no surplus had been built up in the better times. I never saw the logic in that, but that is of history.

Sir Nicholas Winterton: The hon. Gentleman is making an excellent and informative speech. Does he know whether any inquiry or survey has been conducted into how much early retirement, particularly in local government but also in other areas, may have cost pension funds, because people have been able to retire from 50 onwards? I am not referring only to Sir Fred Goodwin and his pension, and the £17 billion pension pot. Is it not true that indulging in early retirement has been very costly for pension funds, because people are drawing a pension very early and living to a ripe old age?

Mr. Drew: I am beginning to think that we are a double act—but of course we are not. Some years ago I put a number of parliamentary questions to the Treasury because I wanted an estimate of those figures, to which the answer was, sadly, "We cannot, and we won't." I think that does us all a great disservice, because I believe this issue should be debated. I argue strongly with my colleagues in the public sector that they have a duty in respect of their retirement age. If I were still a teacher, I would be retiring in a couple of years' time, but I think I would be fairly useful as a classroom teacher beyond that age. Thankfully, many teachers carry on working beyond that age, but there is still a belief that 60 is the retirement age—that that is the age at which people should go, come what may. I shall park that point now, but I feel strongly about it.

I want to make two further points. We talk about longevity being the cause of the problem. I cannot prove this, but I have been told by more than one Minister that one reason why the parliamentary scheme was always so robust was that until comparatively recently, being an MP was not the best line of work to be in for having a long and deserving retirement. It may well be that we are becoming more like those in all other walks of life, and are beginning to have a quality of life after we leave this place, but it is important that we look at the reasons for the particular nature of any scheme and argue the case for its special qualities and characteristics.

Let me turn to my second point. The Labour party has a benevolent fund, because until comparatively recently many people retired from this House in a very poor state. We rightly continue to support those people, as those of us who are much better off with a much higher standard of pension provision have an obligation to support those who are not. Again, I want to put on the record that, in contrast with the message that has often been put across, it is not true that we have done much better over a long period than others in the public sector, many of whom we represent. The parliamentary scheme has evolved over time. It is a good scheme now, but it was not always so. Many people have suffered, and we must learn the lessons from that.

This is not special pleading. I absolutely would have supported the amendment of the hon. Member for Somerton and Frome (Mr. Heath)—I was going to refer to him as "right hon.", but that is only a matter of time—because I agree with him that we must give such a lead. However, it annoys me—occasionally my blood does boil—that whenever the BBC or Sky or the papers are talking about "greedy MPs", they always have the throwaway line, "who have gold-plated pensions."

We should at least put on the record that those pensions are not quite as good as some suggest. I have been fortunate because I have been able to conflate my teacher's pension with the parliamentary scheme, which puts me in a better position. But as I said to the hon. Member for Rutland and Melton (Alan Duncan), we have achieved the position that many schemes should be in—a claw-back, so if someone retires before 65, they are seriously penalised.

Mr. Love: If we really want to get across the message that our pensions are not as gold-plated as is often assumed, we are the last people who should make that case. We need someone independent, such as the SSRB, to make that case for us.

The House appears to be relatively unanimous about the motion, but behind it is a much larger debate about whether we should continue with a defined benefit contribution scheme, like most of the public sector. Does my hon. Friend think that that is something that we should protect?

Mr. Drew: My hon. Friend always asks me easy questions. It is worth fighting for a defined benefit scheme, because that is the gold standard that has been created over a long period of time. However, I accept that we cannot have the public sector doing one thing and the private sector doing something else entirely. That is hypocritical and unfair, and we have to have the debate. However, in the public sector, the debate would be much more reasonable if people accepted that 65 was the normal retirement age. In that case, they would make contributions up to that age, which would deal with many of the problems arising from unfair demands on the fund.

Kelvin Hopkins: My hon. Friend has drawn a contrast between the public and private sectors, and it is unfair to the private sector. Does he agree that in the longer term we should look to a universal pension arrangement for employees, under which we all have defined benefit schemes with the heavy involvement of the state, as necessary?

Mr. Drew: Yes, and we have to make the argument that people will have to make reasonable contributions. We are supposed to take the lead on this, but we have let people down by allowing them to believe that their contributions can remain the same even if they live longer and retire earlier. That does not add up, and it has brought many funds crashing down.

I shall conclude my remarks on that gloomy note, but I hope that the next time a journalist makes the throwaway observation that MPs' pensions are gold-plated, they will also publish their own pension arrangements and what they have managed to get out of the system. They might discover that they are somewhat better off than MPs.

3.8 pm

Sir John Butterfill (Bournemouth, West) (Con): In the debate so far, there has been a lot of conjecture and of looking back to the past, and I wish to try to put it into context.

There was indeed a considerable period during which the Treasury did not contribute the correct amount to the parliamentary scheme. If one looks back to the previous valuation that was conducted by the Government Actuary, one clearly sees that the deficit was approaching £50 million, all of which was attributable to the Government failing to pay the employer's contribution, which is, of course, funded by the taxpayer. That might or might not have been a correct decision, but it did mean that there was a deficit that had to be covered. The Government suggested that it should be covered by increased Government payments over 15 years.

That has been part of the problem in the perception of where we are going now. The Government's contribution now looks unreasonably high, whereas a high proportion of it is related to their failure to contribute in the past. That is not just a criticism of the present Government; it also applies to the previous Government.

Steve Webb: The hon. Gentleman is absolutely right—I do not demur from what he has just said. However, can he help me to understand something that is puzzling me about the motion? The combined contribution, including the deficit contribution to which he refers, is 28.7 per cent., but the Government Actuary says that, per year, 8.5 per cent. is the cost of servicing the deficit—that is the figure in the most recent review. So, 28.7 minus 8.5 is 20.2. The Government are trying to cap at 20 per cent. Does he understand why the Government have made proposals that do not achieve the 20 per cent. cap but bring it to 20.2 per cent.? I do not understand it, and wonder whether he can explain it to me.

Sir John Butterfill: I think I do. May I come to that in due course? I shall try to be helpful to the hon. Gentleman, and if he does not understand when I explain it then, I shall have to apologise to him at that time.

A very substantial Government contribution was necessary to bring a deficit back in line with where it should have been. It arose from the failure to contribute the correct amount, as originally advised by the Government Actuary. The Government Actuary, to be fair to the Government, said, "Well, things are going rather well. The stock market is looking pretty good, so you can probably tolerate not paying in." That is one of the problems with the way in which pensions have been funded in the past, and I want to expand on that point a little further, if I may.

If, at the previous valuation, the Government had been making the correct contributions, the Members' scheme would have been about £5 million in surplus rather than nearly £50 million in deficit. That, I think, is worth bearing in mind as background. Today, the Government Actuary is saying, "Now we have to take into account longevity. We have reviewed the problems of longevity and we have found that we probably have not made enough allowance for the improvement in people's lives over many years. We need to adjust for the fact that people are likely to live longer." The impact of that is to reverse the situation. We now need to raise, probably, another £50 million or thereabouts. There will have to be increased contributions to cover that element. That problem would not be there if we had dealt with it earlier.

My view is that the present system of valuing pensions, whether in the public sector or the private sector, is stark raving bonkers. We ask actuaries, every three years, to value each scheme and to try to see where the pitfalls or benefits might lie. When times are really good and stock markets are going up, they say that we should not bother to put any money in because we will come through with a surplus. When times get bad, they say, "Gosh, you've got to put a shedload of money in. Times are terrible, and you have to put more money in." That is at a time when most schemes—certainly those in the private sector—have not got any money, because times are bad.

That has to be a crazy way of dealing with final salary pension schemes. It seems to me that the actuarial profession should, over many years, have been taking a long-term view. Pensions do not go from year to year—they cover 30 or 40 years at a time. We should therefore establish what the appropriate contribution should be from the scheme sponsor—and, indeed, from the scheme members if they also contribute, as we do—over a period of 30 years or more.

Those figures are available. Quite a few analyses have been performed over the past 30 or 40 years that make it clear what has been going on, despite all the huge ups and downs in the markets. They show that schemes that have invested in shares have gone up by about 8 per cent. per annum, while those that have invested in property have gone up by about 7 per cent. and those in Government bonds have risen by about 6.5 per cent.

That is what has happened over a 30 or 40-year horizon. There have been wild variations within that, but the people who run pension schemes should fund for long-term liabilities. At the moment, people in both the public and private sectors are paying the price for tolerating wild valuations that are merely snapshots in time and bear no relation to what is likely to happen over a long period.

The adverse effect of longevity means that schemes must be adjusted for the increase in people's lifetimes. That can achieved in only one logical way, and that is by increasing retirement ages in line with the increase in longevity so that people who live a long time fund the cost of receiving their pension provision over a longer time than was originally anticipated. They will have to wait a little longer before they draw their pensions and if they choose, for whatever reason, to take their pensions early they will suffer a diminution in what they get. Obviously, people who are seriously ill can take sickness retirement, which can be covered through insurance.

That is how schemes should be structured. Our scheme is not so structured, however, and neither are most private sector schemes.

Last year, the Government said that costs were rising and might rise still further. Without taking into account what they were having to pay to make up the deficits that had been allowed to accrue, they sought to cap the Government contribution at 20 per cent. The House debated that proposal, and accepted that there would have to be some capping of the Government contribution to protect the taxpayer. We then had to look at what we might do thereafter.

More than a year ago the Government said that they would instruct the Senior Salaries Review Body to look at the issue, and to make recommendations to the Government and the House about how the scheme might be amended for the future. If they had issued that instruction, we might have had the SSRB report before us today, as we debate what is almost a crisis adjustment. Sadly, for reasons that I can only begin to guess at, the Government did not in fact instruct the SSRB until earlier this year.

The Government's proposal before the House today has an air of crisis about it, in that it says that, if something is not done, they will go over the 20 per cent. limit, backdated to 1 April. The amendment takes a further step backwards, and adopts the approach that we would have had were we looking at the matter a year ago. It will not solve the problem that I have identified, for which the Government will have to come up with something after the end of the debate today.

One other element to which I should refer is the proposed removal of the rights of hon. Members who have been here since before 1989 and who have reached the limit of their contributions under our scheme to continue making pension contributions after they have reached the age of 65. That will have an impact, which

[Sir John Butterfill]

relates to what the hon. Member for Northavon (Steve Webb) said, in that it will produce an additional 1.2 per cent. of savings.

The trustees have considered that point, as we have considered many other proposals—largely produced by us—to reduce the cost of the scheme. It was at the initiative of the trustees that the right to retire before 65 without penalty was removed. We have also considerably tightened the rules on early retirement for ill health. We think that in the past there may have been some abuses, which were expensive, although nothing like the abuses in some other areas of the public sector. Nevertheless, the change will produce significant savings. We are still waiting for the Government to implement it and we are slightly surprised that it was not included in the motion.

There is no question but that the trustees would try to obstruct reasonable changes. I appreciate that my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) is not entirely happy with the situation, but it must be remembered that Members who wish to contribute further sums towards their retirement have other avenues for doing so, albeit on a money purchase basis.

Sir Nicholas Winterton: Will my hon. Friend be able to indicate during the debate whether it would be appropriate for somebody such as me, and other Members who are over 65 and have reached the full two thirds of pension, to discontinue from 1 April further contributions to the parliamentary contributory pension scheme? Would we lose benefits if we discontinued our payments to the scheme? Can my hon. Friend help me on that point? Clearly, we have to give the Department of Resources instructions as to whether to continue paying contributions to the pension fund.

Sir John Butterfill: It is my understanding that Members affected by the change would not be able to continue making contributions, but their rights under the scheme would continue to be safeguarded. The only change for my hon. Friend would be that if he wished to continue saving for his retirement, he would be unable to do it through the parliamentary scheme but there would be opportunities for him to do so elsewhere without losing his rights as a member of the scheme.

The saving is about 1.2 per cent. The object of the changes proposed by the Government is to save rather more than that. The figures go from 10 to 11.9 per cent. for those on one fortieth of final salary, from 6 to 7.9 per cent. for those on one fiftieth and from 5.5 to 5.9 per cent. for those on one sixtieth. That is all fairly transparent, and means that Members will be paying considerably more this year, because the change will be backdated to last April. On that basis, for those on the upper level scheme, the net cost would have been about £60 a month. If the Government accept the Liberal Democrat proposal or something similar, the amount could double and the cost would be about £120 a month to Members.

There may be other ways of dealing with the situation. My view is that the simplest way by far would be to increase the retirement age. The Government Actuary has said clearly that the entire cost of what we now seek to fund relates to increased longevity. We could thus conclude that if the change relates to longevity we must increase the retirement age to pay for it, without going through complex shenanigans to change this or that contribution. Changing the retirement age would be a very simple solution.

There is a significant read-on to other defined benefit schemes, whether in the private or public sector. The public have to understand that increased longevity means that more will have to be paid into pension schemes. There might be an argument about who pays but, inevitably, that is what must happen. However, the same effect could be achieved by raising the date of retirement.

Let me say a few other things about the scheme because all sorts of aspects of its nature are misunderstood by not only the general public, but even apparently well-informed members of the actuarial profession. Most members of the public think that ordinary Back Benchers retire on the basis of the Back-Bench salary, but they also think that Ministers and other office holders in the House will enjoy a pension based on their increased salaries. They think that the Chancellor of the Exchequer will retire on a pension that is two thirds of his salary as Chancellor, but that is totally untrue. The Chancellor's pension will be the same as that of the humblest Member, except that the additional 10 per cent. contribution that he pays while he is a Minister will be reflected in a modest supplement to the pension.

The only exceptions to that arrangement have been Prime Ministers, Lord Chancellors and the Speaker, although I gather that some of them have said that they will not take the extra money. That is an honourable position, but individuals must make up their own minds. The public assume that our scheme is the same as every other and that as we rise up the ladder and reach more senior positions, we get a bigger pension, but we do not. That point needs to be clearly made because it addresses the biggest misunderstanding about the parliamentary scheme. That is not to say, however, that our scheme is not better than that of many of our constituents, but it is not quite as gold-plated as the media have led the public to believe, so it is important to get that on record.

It is also important to put it on record that the level of the contributions made by Members—10 per cent. with the one fortieth scheme for which most hon. Members opt—is almost unprecedented. I think that only the police pay more, but their payments reflect the fact that they can retire at least 10 years earlier than we can.

Sir Nicholas Winterton: After 30 years.

Sir John Butterfill: My hon. Friend is right.

We face the problem that the Government have made a proposal that is neither fish nor fowl. It does not deal with the long-term problem nor correctly anticipate what might come out of the SSRB. The motion is a stop-gap that probably need not have been tabled at all. The whole thing could have been left until we received the SSRB report. It is impossible to imagine that the House will not accept the SSRB's recommendations about our future pay, so I would have preferred us to have made the whole adjustment at that time, retrospectively if necessary.

3.28 pm

Barry Gardiner (Brent, North) (Lab): I am pleased to be able to follow the hon. Member for Bournemouth, West (Sir John Butterfill), who has given sterling service

to the House over many years through his chairmanship of the parliamentary pension fund. I was privileged to serve on the fund for a good six or seven years after 1997 and I saw the skilful way in which he steered the fund and coped with the problems that were faced.

The hon. Gentleman said that the average term of a Member of Parliament was now considered to be 12 years. I am sure that he recalls that one of the first things that we did after 1997 was to review the average span of time spent as a Member of Parliament, and it was eight years in those days. To draw on the remarks made by my hon. Friend the Member for Stroud (Mr. Drew), who made an excellent speech, that shows that many Members leave the House in what would otherwise be the middle of their career. They then find it difficult to resume the career that they had before entering Parliament. Often, their income, and their pension in particular, suffers as a result, because they can never return to the position they would have had if they had not entered Parliament. I take issue with my hon. Friend the Member for Stroud on one point. He talked about the pension scheme being a perk. It is always wrong to think of pension schemes as a perk. In any walk of life, a pension scheme is one thing and one thing only: it is wages deferred, and we must always regard it as such.

Mr. Drew: What I said is that the pension is perceived as a perk.

Barry Gardiner: I entirely accept my hon. Friend's correction. He is right that the pension is often perceived as a perk, but it is wages deferred. It should always be considered as such in calculations of the whole remuneration package. That is true whether we are talking about Members of Parliament or any person in the public or private sector work force. It is absolutely right that we should contribute to the costs imposed on the fund as a result of longevity. In so far as the proposals seek to achieve that, they should be accepted by Members in all parts of the House.

I should like to reinforce the remarks of the hon. Member for Bournemouth, West. He said that actuarial calculations are a snapshot. It is particularly ridiculous for a snapshot taken at a time of global shares meltdown in 2008-09 to set the pattern for the future. Of course, the previous actuarial calculations related to 2005. He made the point very well that had the employer's contributions been maintained over that period, the fund would, in 2005, have been in a £5 million surplus, rather than the £50 million deficit that it found itself in. It is important to recognise that actuaries looking at pension funds always seem to take account of the good times, in terms of stopping putting contributions in, but of course it is precisely at the bad times that they reassess, look at the stock market and say that the fund has a much lower valuation than they believed it would have, so extra money has to be put in. Usually, that demand falls not only on the employer's part of the contribution, but on the employees' part, too. That is a way in which employees—I am referring not simply to Members in this House, but to employees who contribute to any pension fund—end up being short-changed by that method of valuation.

I wish to put a specific point to my hon. Friend the Deputy Leader of the House. I am sorry if it caused her confusion and consternation when I intervened on her earlier. I will try to make my point more clearly now. She will note that whether the accrual rate is one fortieth or one fiftieth of final salary, the increase in percentage contribution demanded is 1.9 per cent. In paragraph (1)(c) of the motion, which relates to an accrual rate of one sixtieth of final salary, the increase in percentage contribution is simply 0.4 per cent. My question does not relate simply to the disparity between those percentage rates. It is based on a calculation of the respective total percentage contributions, which are 5.9, 7.9 and 11.9 per cent.

I know that my hon. Friend wishes to write to me, and I am trying to lay out this question as clearly as I can in order to receive as full an answer as possible. On a £64,000 salary, those percentages represent respectively £3,776, £5,056 and £7,616. If she then calculates what one fortieth, one fiftieth and one sixtieth of that salary is, she will find that it equates respectively to £1,066, £1,280 and £1,600 in retirement.

Steve Webb: Will the hon. Gentleman give way?

Barry Gardiner: Not at this stage, because I want to set out the question as clearly as I can.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): We have the answer.

Barry Gardiner: The hon. Gentlemen may need to the listen to the question before they provide an answer.

To achieve each sum, the respective gearing would be 3.54, 3.95 and 4.76 years in retirement. That inequity does not reflect different longevities or anything like that, and the disparities in the costs to the pot should be met from the fund that has accrued from the investment of those initial sums from now until retirement. I therefore wish to receive an explanation of the differential gearing effect of those contribution rates.

My hon. Friend the Minister passed a note to me stating that

"if Members contributions are to increase, it is fair that all Members pay the same increase",

but that cannot be right. They should pay rateably equivalent increases for the benefits that they hope to accrue, not simply the same standard 1.9 per cent. I now give way to the hon. Member for Northavon (Steve Webb).

Steve Webb *indicated dissent.*

Barry Gardiner: Okay.

I also listened carefully to what the pension fund chairman, the hon. Member for Bournemouth, West, said about changing the retirement age. That is a way to introduce a sliding scale, but would one be able to take one's pension benefits only after 65 years old, or would the benefits be reduced if they were taken at 65? If it were the former, and people were unable to access their pension benefits until they were older than 65, there might be difficulties for people who had left the House and gained employment with a pension cut-off age of 65.

Sir John Butterfill: The retirement age is simply a target set by the scheme. If a member sought to retire before that date, they would suffer an actuarial diminution

[Sir John Butterfill]

in their pension. That is the way it always works with such schemes, but the move to 67-years-old, which I have suggested, is in line with what we are doing on national insurance-based pensions, whose starting age will go up over the years to 68. We have already recognised the need for that move on state retirement pensions, and there is no reason why we should not do the same thing with our own.

Barry Gardiner: I am very grateful to the hon. Gentleman for his clarification and, in that respect, I entirely agree.

In addition, I add my welcome to this afternoon's proposals to reinstate the Science and Technology Committee. It is excellent that the Government have listened to the points that have been made and reintroduced it.

3.39 pm

Steve Webb (Northavon) (LD): I shall principally address the pensions issue before us, but I should like to place on the record my appreciation of the Science and Technology Committee, which has been chaired with exceptional ability by my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis). His whole Committee has contributed a great deal to the House, and I am pleased that it will be able to continue to do so until the general election.

Amendment (a) stands in my name and those of the right hon. Member for Birkenhead (Mr. Field) and my hon. Friends the Members for Twickenham (Dr. Cable) and for Oxford, West and Abingdon (Dr. Harris). I shall seek to move the amendment formally at the end of this debate, but I should like now to address the reasons behind it. I would like clarification from the Deputy Leader of the House, who I hope has had the chance to seek inspiration, on the issue that I raised in intervening on the hon. Member for Bournemouth, West (Sir John Butterfill). I apologise if I did not explain my question terribly clearly.

The motion in front of us says that the Exchequer contribution will be 28.7 per cent.; that much seems unambiguous. However, page 25 of the Government Actuary's report published in March 2009 says that the amount needed to clear the deficit is 8.5 per cent. per year; there are two components—the amount for the recurring liabilities and the amount to clear the historic deficit, and the second of those is 8.5 per cent. According to my maths, if we take 8.5 per cent. from 28.7 per cent., we end up with 20.2 per cent. I am aware that that 8.5 per cent. was 8.7 per cent. last year—and 28.7 minus 8.7 is 20, so I can see why that would have appeared to be the right number. This year, however, it does not appear to be the right number, as 28.7 minus 8.5 is 20.2.

I cannot see how what the Government's unamended motion proposes is consistent with the resolution of the House that the Exchequer contribution should be restricted to 20 per cent. I might simply be missing something; that is quite possible, given the technicality of the area. However, I hope that the Minister—perhaps with some advice—will clarify the point before the end of the debate. Whether the figure should be 20 per cent. or 20.2 per cent., amendment (a) is about this transitional year, prior to the Senior Salaries Review Body reporting on a more root-and-branch reform. I have a lot of sympathy for what the hon. Member for Bournemouth, West said about increasing retirement ages; that is a good direction in which to go. Pending that, however, what should we be doing for 2009-10?

We are all aware that the world has moved on. A 20 per cent. Exchequer contribution was first mooted two years ago, in 2007. That has been the backdrop to our deliberations for a two-year period, but we would all accept that the world of 2007 was very different from ours today. What seemed appropriate then as a cap on the Treasury contribution does not seem so now. It was a very different economic environment. That was not quite so before the crash, but we were certainly not in the full depths of the economic problems. The position of people in many other pension schemes was not as apparent as it is now, and public attitudes to the House were obviously different then.

I accept the point made by the hon. Member for Stroud (Mr. Drew). We should not apologise for existing or for the work that we do, and we should not give an inappropriate impression of the pensions and benefits that we receive. However, many of us feel that the world has simply moved on so much that it is inappropriate in 2009-10 to ask the taxpayer to make any additional contribution to our pensions in comparison with 2008-09.

It is sometimes suggested that that is a hair-shirt approach, but it is worth putting the issue in context. We are talking about the difference between an employer contribution of 28.7 per cent—or 20.2 per cent., which takes away the deficit bit for the sake of comparability; that is how I think it should be—and 18.1 per cent. or 18.3 per cent., depending on what people think the right number is. In other words, we are arguing about whether the taxpayer should put 20 per cent. or so or 18 per cent. or so of our salary into our pensions. Such figures would be beyond the dreams of avarice for anybody in the private sector and for quite a number of people in the public sector. Occasionally we need to remind ourselves that although, as the hon. Member for Stroud said, some people right at the top of the public sector in certain professions have exceptionally generous pensions, their numbers are relatively small. The vast swathe of public sector workers retire on vastly less generous pensions than we do.

One of the issues that has been raised is whether we should simply accept what review bodies say. It is a serious point; if we second-guess the independent review bodies and do a bit more of the hair-shirt, what is the point of those bodies? However, even those bodies accepted that we have to take account of the changing world in which we live.

I want to quote what Sir John Baker said in June 2008. He referred to the 2007 Senior Salaries Review Body report, which referred to the Exchequer cost of the accrual of benefits for MPs being in principle limited to 20 per cent. But he also stated, at paragraph 63, that

"the best solution would be for the Independent Body to continue to consider MPs' pension arrangements bearing in mind the unusual career pattern of MPs"—

that was the point that the hon. Member for Brent, North (Barry Gardiner) made—

"and the evolution of pensions in the public sector and wider economy."

That is the crucial phrase. In other words, even the independent review body was saying that these things are not set in stone, and that the world outside, public

sector pensions and the wider economy are moving on. We in this House should therefore have discretion not always to have to wait for the next independent review, which might take 18 months or might not be due to report for another year. We have to make a decision more or less today, and in a sense we are probably nearly three months late in making it, because whatever we do will be backdated to 1 April.

Even Sir John Baker said that the independent body should bear in mind what is going on in the wider economy. Prior to the SSRB's report, we already know what is going on. Only this week, we had reports of the further demise of private sector final salary schemes, and it important that we as a House show that we know what is happening in the wider economy.

Mr. Love: We have a prominent but small scheme, and the question for us is whether we should give a lead to the private sector or whether, because the scheme is relatively small and funded, which is unusual in the public sector, we should be a lag indicator. That will be critical to how things evolve.

Steve Webb: That is a very thoughtful comment. In my view, we have to be a leading indicator. We must be able to consider what is happening in the public sector with some credibility. Public sector pensions are very diverse, and I do not have a blanket view about them. The amount that workers put in, the salary that they get, their job security and the physical demands on them are different, and there is not a one-size-fits-all answer to the public sector pension issue.

That is why our party believes in having, perhaps as the first act of a new Government, an independent commission, ideally with buy-in across the political spectrum, to review public sector pensions urgently. It could ensure that they are fair to the taxpayer, who makes a substantial contribution to them, and to public sector workers. Some of them at the top do extraordinarily well, but some at the bottom have pretty rotten jobs with pretty poor salaries and end up with pretty poor pensions. There is a balance to be struck, and if we want to say anything about later retirement ages, for example, it would be appropriate for us to have examined our own scheme first and been willing to take the relevant conclusions on the chin ourselves.

Mr. Drew: One point that must be addressed is that those who leave a scheme early often receive enhancements. There is a belief that those enhancements come almost from outer space, but in fact they come from the scheme. They have a disproportionate effect on lower-paid people who serve their full term and then end up with an even poorer pension.

Steve Webb: The hon. Gentleman makes a powerful point. We have been doing some research on local authority chief executives and senior officers, for example, who seem to retire very early and get substantial boosts to their pension on leaving. As he rightly says, that money comes from somewhere—either from other scheme members or from council tax payers, or I suspect from both. That needs to be addressed.

To return to our own scheme, the amendment argues that we should return the Exchequer contribution for 2009-10 to its 2008-09 level. As the debate has illustrated, there are a wide variety of ways of doing that. A number of my colleagues have said that we will already be putting £60-odd extra a month in as a result of the main motion, essentially reversing the pay rise that we have had, and that their preference would be for any further rebalancing in line with the amendment to come in the form of diminished scheme benefits rather than increased current contributions.

I have an open mind about what the right mixture is, but I would be happy to enter into conversation with the hon. Member for Bournemouth, West, the chairman of the trustees, and with the Leader of the House and her colleagues. Assuming that the amendment is passed, I will be happy to discuss with them how to achieve the right mixture in a way that deals with taxpayers' concerns but is fair to hon. Members.

Mr. Love: I thank the hon. Gentleman for being liberal in taking interventions. Is not the weakness of both the amendment and the motion that these ideas have been brought forward by Members of Parliament, for Members of Parliament? There is little or no trust outside in MPs taking decisions about themselves. Would it not therefore be better to refer all this to an independent body? I submit that the SSRB has not always been seen to be independent on public sector issues, so perhaps we should roll the whole thing into the Kelly review, which appears to have the confidence of the public and which will report later this year.

Steve Webb: One of my concerns about that suggestion is that it would mean yet more delay. As our debate has illustrated, these are complex matters. Bringing the review under a different review body, which would not quite have to start from scratch, but which would have to get up to speed quickly, could delay things further. Either way, we need a decision for 2009-10, and as I have said, we are already nearly three months late in making it. Until we have heard the views of independent experts, the public will expect us to make a decision now. They will judge what we do, and to go by the indications that we have been given in the past 24 hours, and certainly the feedback that I have received, the public welcome what we have done.

There is a slight danger of grandstanding. I am fully seized of that risk, but hon. Members might be interested to learn that some of the media comment about the amendment has almost been saying that this might be the moment when people finally get it. I would not be so arrogant as to suggest that that was down to me, but there is a sense of the commentators saying, "Perhaps we're seeing a change in mood." Given everything that we have been through, it might be helpful to us to send a signal that we are looking at things differently. I hope that that will be constructive, rather than to the detriment of other colleagues in the House.

Simon Hughes (North Southwark and Bermondsey) (LD): Perhaps my hon. Friend will answer on the record a question that I have asked him privately: what independent authority or body supports the amendment? In other words, is there a case for his proposal being agreed to now, on the basis that people outside this place have said, "This is the right thing to do; therefore we should get on and do it"?

Steve Webb: My hon. Friend might have missed the bit when I dealt with that point. The independent Sir John Baker says in paragraph 63 that we should consider not just the normal matters, but

"the evolution of pensions in the public sector and wider economy."

[Steve Webb]

In other words, we should not just take such decisions in a vacuum. He was talking about what the independent review bodies should do, but as we have to take an interim decision for ourselves, he has given us the authority to look at what is happening in the wider economy. That substantiates the case for saying that it is entirely appropriate for us to take into account, in our interim decision making, what is happening to public sector pensions, where retirement ages are rising, and what is happening in the private sector, where there are some dreadful things. That is only right and proper.

Before concluding, I would like briefly to thank the 23 hon. Members who supported early-day motion 1389, which was the precursor to amendment (a). I am grateful to them all, particularly the hon. Member for Worthing, West (Peter Bottomley), who was the one Conservative MP to give his support, four weeks ago. I was grateful for the support of the other 197 last night, which was obviously what clinched things. However, I am also grateful to those hon. Members who were willing to go out on a limb, because I am aware that I probably lost my copy of "How to Win Friends and Influence People" in raising the matter in the first place.

To reflect what the hon. Member for Edmonton (Mr. Love) said in his intervention, we need to move to a situation with pay and pensions where we hand decisions for wise and independent assessment over to those who are not seen to be partisan and who will take account of what is happening in the wider economy and the public sector, although it is also critical that we ask them the right question. I hope that we can reach that point after this interim year. I also hope that in responding to this debate the Deputy Leader of the House will say whether she feels that the substantive motion hits the 20 per cent., because I do not believe that it does. However, I also commend amendment (a) to the House.

3.54 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Perhaps it is time for a change of mood. I have listened to most of this debate, which has been about the changes to Members' pensions, and I agree with the hon. Member for Edmonton (Mr. Love). I have listened to the hon. Member for Bournemouth, West (Sir John Butterfill) and my hon. Friend the Member for Northavon (Steve Webb), who bring incredible expertise to this area, for which the whole House will thank them, but at the end of the day, unless things are done independently of the House of Commons, I suspect that the headlines that the hon. Member for Stroud (Mr. Drew) constantly referred to in his contribution will continue, because journalists will simply wrap them up according to how they want to portray Members of Parliament. I thank those hon. Members for their contributions, none the less.

I want to make a brief contribution to the debate in order to thank the Deputy Leader of the House and the Government for the way in which the machinery of government changes have restored the Science and Technology Select Committee to the business of the House. I believe that the Government made a mistake in 2007 when they got rid of the Science and Technology Committee as a separate cross-government scrutiny Committee. That occurred because of the speed of the changes that took place when the present Prime Minister took over; the speed with which the Departments were reorganised took everyone by surprise. He certainly did not consult me at the time; had he done so, I would have told him that certain responsibilities needed to be protected.

I am grateful for the speedy way in which the Science Minister, Lord Drayson, responded within three days to the Leader of the House to say that our idea clearly needed support and that he supported it. I cannot remember a Minister responding to the Leader of the House in such a clear way before. That spoke volumes about how the House and the broader science community view the importance of science in tackling all the great global challenges that we face. It would be inconceivable for a Department the size of the new Department for Business, Innovation and Skills, with all its responsibilities, not to have anyone examining the very machinery that will deliver the changes. The changes could involve the environment, energy, the green technologies or the plethora of health reforms coming out of our laboratories and our pharmaceutical and technology companies. Without being able to scrutinise all those matters, the House, the Government and our nation would all be the poorer. I want to put on record our genuine thanks to the Science Minister.

I also want to put on record my thanks to the many learned societies and organisations—including the Royal Society of Chemistry, the Royal Academy of Engineering, the Royal Society, the Institute of Biology, the Institute of Physics, the Campaign for Science and Engineering and many others—that did not just sit and say, "Woe is us!", but wrote to and lobbied the Government about the changes.

Above all, I want to thank the members of my present Committee, the Committee on Innovation, Universities, Science and Skills, including the hon. Member for Bolton, South-East (Dr. Iddon), who was in his place earlier, for the enormous job of work that they have done over many years—in some cases, since before I arrived here. We heard earlier about the distinguished contribution of my hon. Friend the Member for Somerton and Frome (Mr. Heath) to the Committee in its halcyon days.

This is probably the only chance that I will have to put on record my thanks to Dr. Ian Gibson, the former Member for Norwich, North. I do not wish to comment on the circumstances in which he left the House, but it is important to put on record his enormous contribution to the House and to science, including his work in supporting cancer charities. He encouraged the Government to introduce cancer plans and followed that up. He also worked on embryology, and we should acknowledge that the draft Human Tissue and Embryos Bill was largely a result of his early work. I want to put on record my thanks to him, along with those of our Committee and, I hope, of the House, and to wish him well in his early retirement.

The machinery of government changes have raised a number of specific issues for science and technology. The Leader of the House wrote to me in which she said that re-establishing the Science and Technology Committee,

"with a clear understanding that it will pursue a wide-ranging agenda"—

on science and technology across the House—

"offers the best solution".

Will the Deputy Leader of the House expand a little on that? I understand perfectly well why she does not wish to introduce new Standing Orders for a new Committee and instead to make all those arrangements under Standing Order No. 152, but for the Science and Technology Committee to work effectively, it is important that it has the power to scrutinise science budgets. The research councils spend the majority of the Government's money for pure science, and it is in respect of the protection of pure science that there is the greatest concern that the move into the new Department for Business, Innovation and Skills might see a shift towards greater transactional science and the use of science for business at the expense of basic pure science. I hope that the Deputy Leader of the House will be able to reassure me on that.

On the plight of universities, I am not betraying a confidence when I say that I had discussions this morning with the Vice-Chancellor of Cambridge university, Alison Richard. She expressed very real concerns about how universities are going to be scrutinised within this massive new Department. I fully accept that my Committee will be able to look at the research elements of universities—that is right and proper—but issues related to teaching, undergraduate work, access to universities, how we keep our universities world class and so forth is a job for a Committee on its own, particularly given that a review of fees will take place and that the former Secretary of State for Innovation, Universities and Skills has committed to reviewing the form and function of higher education in the future.

As for the structure, the new Committee will have 14 members. I smiled earlier when the hon. Member for Rutland and Melton (Alan Duncan) spoke about the Conservative party's passion for science. The hon. Member for Windsor (Adam Afriyie) is a glowing example of that commitment, as he has maintained a huge desire to promote science on behalf of the Conservative party, and I pay tribute to him. I say to the Conservative Front Benchers, however, that although there were four Conservative members of the Committee since 2007, only one has ever turned up for active participation. Two members of the Committee—the hon. Member for Mid-Bedfordshire (Nadine Dorries) and the hon. Member for Castle Point (Bob Spink)—have never once attended a single Committee meeting.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): The hon. Member for Castle Point (Bob Spink) is not a Tory.

Mr. Willis: Well, he was when he became a member of the Committee. *[Interruption.]* I do not want to intrude on grief—or, perhaps, happiness, depending on which way one looks at it. With the exception of the fantastic contribution of the hon. Member for Daventry (Mr. Boswell), a fantastic member of the Committee, unless we get all the parties actively participating in scrutiny, the Select Committee will not achieve what it should. I say that in a good spirit, not in a negative manner.

Overall, I can tell the Deputy Leader of the House that we are delighted with the changes, as is the broader community of science. I only hope that the Committee will live up to the House's expectations in the few months before we have a general election and I retire for my pension.

4.4 pm

Barbara Keeley: We have had an excellent debate on two different motions this afternoon. I am pleased that we were able to discuss the Science and Technology Committee and the structures of such Committees as well as make some constructive contributions to the debate on pensions. I have been asked some specific questions, and I will ensure that good answers are provided to any that I am unable to answer here and now.

We are all grateful that there is such a wide consensus on the new Science and Technology Committee. I regret that a mistaken step was taken in the past when we got rid of something that was doing excellent work. I am sure, however, that there is widespread consensus on the views just expressed by the hon. Member for Harrogate and Knaresborough (Mr. Willis).

In business questions today, there was discussion of what Select Committees can do. Let me re-emphasise that it is up to Committees to take a wide-ranging approach to their remit, and to examine the full scope of science policy and related matters across government. Earlier this week, a Hansard Society conference considered the role of departmental Select Committees. We have now moved beyond Departments turning around and saying to Select Committees, "We don't want to answer that," or, "You can't look at that." That should no longer occur in Select Committees. In the new spirit of reform, if a Select Committee decides that it wants to scrutinise research budgets, for example, it should be able to do so.

I am also aware of the comments of Universities UK that there should be a Sub-Committee devoted to higher education. Clearly, it is up to the new departmental Select Committee to consider that. We would not want to tell it that it should set up a Sub-Committee, although clearly it could do so. Higher education is a key aspect of the work of any business Department—and of the new Select Committee. It could not be otherwise. Education has been a priority for the Government since 1997. Let us hope that the Select Committee sets up such a Sub-Committee.

May I, like other Members, thank the trustees of the parliamentary pension fund for their work, and particularly the hon. Member for Bournemouth, West (Sir John Butterfill), who spoke lucidly and expansively, for his chairmanship? May I correct the suggestion made by the shadow Leader of the House that there was a lack of consultation with the trustees and chair of the pension fund? My predecessor, the hon. Member for Rhondda (Chris Bryant), did consult the hon. Member for Bournemouth, West. In fact, we postponed the motions before the House because he was away for a short time due to ill health, and we felt that it would not be right to consider them without him here. In my new role, I have had meetings and reviewed earlier correspondence—the consultation came in a busy week, but I was glad of the time I spent with him.

On the questions about the 20 per cent. cap and the 0.2 per cent. figure, I cannot give adequate answers in the Chamber now. I will find out the answers to those good questions, and to the detailed questions put by my hon. Friend the Member for Brent, North (Barry Gardiner).

[Barbara Keeley]

My right hon. and learned Friend the Leader of the House is content to return to the House with further proposals to ensure that the Exchequer's contribution this year does not exceed that of last year. As to the main motion, Members have asked both why we did not bring it forward earlier, and why we do not do so later. Whatever happens, the interim step of the main motion is necessary to cap the Exchequer contribution. That will entail back-dated additional payments, so it would have been unfair to people to wait until later this year.

I am glad that we have been able to support the amendment tabled by the hon. Member for Northavon (Steve Webb), my right hon. Friend the Member for Birkenhead (Mr. Field) and the hon. Member for Twickenham (Dr. Cable). If I may repeat an overused phrase this week, we do get it. We understand the context outside the House to which many hon. Members have referred. We will return to the debate, and give Members a chance to vote on or agree the options necessary to achieve a freeze on the Exchequer contribution.

Mr. Love: May I accept my hon. Friend's thanks on behalf of the trustees? There appears to be a consensus across the Chamber on the motion and, I think, the amendment. That makes it all the more important that we have consensus as major changes are made to the pension scheme. I ask the Office of the Leader of the House to take a lead in ensuring that all hon. Members, not just those who have turned up today, are fully consulted so that we take everyone with us?

Barbara Keeley: That is a fair point and I will take it on board.

We will return to the debate and give hon. Members a chance to vote on, or agree, the options necessary to achieve that freeze. We will, of course, later this year tackle the wider ranging reforms resulting from the review undertaken by the SSRB.

We should end on the point that in future we must tackle the problem through an independent body. Like all the other changes that we are making, we should consult Members, but the matters should be decided by recommendations made by another body. We should not have to decide such things for ourselves.

Question put and agreed to.

Resolved,

That, with effect from 1 October 2009, the following amendments and related provisions be made in respect of Standing Orders:

A. SELECT COMMITTEES RELATED TO GOVERNMENT DEPARTMENTS

(1) That Standing Order No. 152 (Select committees related to government departments) be amended in the Table in paragraph (2) as follows:

(a) leave out items 1 and 11; and

(b) insert, in the appropriate places, the following items:

Business, Innovation and Skills	Department for Business, Innovation and Skills	11
Science and Technology	Government Office for Science	14

B. RELATED PROVISIONS

(2) That all proceedings of the House and of its select committees in this Parliament in respect of the Business and Enterprise Committee and of the Innovation, Universities, Science and Skills Committee shall be deemed to have been in respect of the Business, Innovation and Skills Committee and the Science and Technology Committee, respectively.

(3) That for the purposes of Standing Order No. 122A (Term limits for chairmen of select committees) the Business, Innovation and Skills Committee and the Science and Technology Committee shall be deemed to be the same committees as the Business and Enterprise and Innovation, Universities, Science and Skills Committee, respectively.

C. LIAISON COMMITTEE

(4) That the Resolution of the House of 13 July 2005 relating to Liaison Committee (Membership) be further amended by leaving out, in paragraph (2), 'Business, Enterprise and Regulatory Reform' and 'Innovation, Universities, Science and Skills' and inserting, in the appropriate places, 'Business, Innovation and Skills' and 'Science and Technology'.

D. EUROPEAN COMMITTEES

(5) That Standing Order No. 119 (European Committees) be amended, by leaving out in the Table in paragraph (6) in respect of European Standing Committee C, 'Business, Enterprise and Regulatory Reform' and 'Innovation, Universities and Skills' and inserting 'Business, Innovation and Skills'.

Madam Deputy Speaker (Sylvia Heal): We come to motion 5—

Steve Webb (Northavon) (LD): On a point of order, Madam Deputy Speaker. I have clearly not understood the rules. Will I be able to move amendment (a) formally?

Madam Deputy Speaker: Yes.

PARLIAMENTARY PENSIONS

Motion made, and Question proposed,

That this House endorses a package of changes to the Parliamentary pension scheme, backdated to 1 April 2009, which is judged by the Government Actuary to make savings equivalent to 2.9 per cent. of payroll, thus capping the Exchequer contribution at 28.7 per cent., consisting of—

(1) an increase in member contribution rates—

(a) from 10 to 11.9 per cent. for a pension building up to an accrual rate of 1/40th of final salary for each year of service,

(b) from 6 to 7.9 per cent. for a pension building up to an accrual rate of 1/50th, and

(c) from 5.5 to 5.9 per cent. for a pension building up to an accrual rate of 1/60th, and

(2) the application of the scheme's maximum pension limit of two-thirds of final salary to all scheme members for future service.—*(Barbara Keeley.)*

Amendment made: (a) at end add

'and calls on the Leader of the House to bring forward further proposals which will cap the Exchequer contribution for 2009–10 at its 2008–09 level.'—*(Steve Webb.)*

Main Question, as amended, put and agreed to.

Mr. Greg Knight (East Yorkshire) (Con): On a point of order, Madam Deputy Speaker. There is growing anger concerning motion 9, which we will shortly reach, because it seeks to require the Yorkshire and Humber Regional Grand Committee to meet in Barnsley. Many

Opposition Members feel that it should meet in Bridlington—*[Interruption.]* I am supported in that view by my hon. Friends the Members for Scarborough and Whitby (Mr. Goodwill) and for Beverley and Holderness (Mr. Stuart). Will you confirm that under the provision of Standing Order 117A, it is not possible to debate the motion, or the motions that come before it, because of the terms of the Standing Order, even though we have not yet reached the moment of interruption? Because of that, is it not the case that the only way in which my hon. Friends and I can show our displeasure at the motions is by dividing the House?

Madam Deputy Speaker (Sylvia Heal): I can confirm what the right hon. Gentleman says. There can be no debate, but when that motion is reached on the Order Paper, he may well divide the House if he wishes.

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Madam Deputy Speaker. Will you, from the Chair, advise the House whether this is a good issue to refer to the Procedure Committee? It seems that Back-Bench Members will be totally out of the loop in discussions on the time and place where the Regional Committeeswill meet.

Madam Deputy Speaker: The hon. Gentleman is in a position to make that referral to the Procedure Committee himself.

Mr. David Heath (Somerton and Frome) (LD): On a point of order, Madam Deputy Speaker. I have listened carefully to the concerns expressed by right hon. and hon. Members. Given that we were given no notice of the motions beyond the fact that they would be on the Order Paper today, is there any way for the Chair to consider manuscript amendments, or will we have no debate and no amendments?

Madam Deputy Speaker: I regret to inform the hon. Gentleman that it is not possible for that to be done today.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Madam Deputy Speaker. Given that it is only 4.15 pm and the Minister is present, is it not possible for her to explain to us why the meeting of the North West Regional Grand Committee must take place when Parliament has reassembled, but other Regional Grand Committees are to meet when it is in recess? Some Committees are meeting at the same time as both the Liberal Democrat and the Conservative party conferences, yet none are meeting at the same time as the Labour party conference. Can the Minister not stand up and explain those facts to the House?

Hon. Members: Answer!

Madam Deputy Speaker: Order. The occupant of the Chair is about to give an answer.

Given the way in which the motions have been tabled, there is no possibility of debate, merely a possibility of votes. I repeat what I have already said: if Members so choose, the House can divide on these issues.

Business without Debate

SOUTH WEST REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No.117A(3)).

That the South West Regional Grand Committee shall meet in Exeter on Thursday 3 September between 10.30 am and 1.00 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on the response to the economic downturn: tackling unemployment.—*[Mark Tami.]*

The House divided: Ayes 114, Noes 105.

Division No. 158] **[4.16 pm**

AYES

Anderson, Mr. David
Atkins, Charlotte
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Blackman, Liz
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brown, Lyn
Browne, rh Des
Bryant, Chris
Butler, Ms Dawn
Byers, rh Mr. Stephen
Cairns, David
Cawsey, Mr. Ian
Cooker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Crudtas, Jon
Cryer, Mrs. Ann
Cummings, John
David, Mr. Wayne
Dean, Mrs. Janet
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Grogan, Mr. John
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howarth, rh Mr. George
Illsley, Mr. Eric
Jackson, Glenda
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Mackinlay, Andrew
Mactaggart, Fiona
Mann, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
Merron, Gillian
Moffatt, Laura
Morden, Jessica
Mudie, Mr. George
Mullin, Mr. Chris
Oiner, Mr. Bill
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Primarolo, rh Dawn
Purchase,,Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Robertson, John
Ruane, Chris
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Timms, rh Mr. Stephen

Twigg, Derek
Walley, Joan
Watson, Mr. Tom
Whitehead, Dr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Mark Tami and
Mr. Dave Watts

NOES

Afriyie, Adam
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baker, Norman
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bone, Mr. Peter
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Butterfill, Sir John
Cable, Dr. Vincent
Cash, Mr. William
Chope, Mr. Christopher
Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Goodman, Mr. Paul
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Oaten, Mr. Mark
Öpik, Lembit
Penning, Mike
Penrose, John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Alistair Burt and
Mr. Rob Wilson

Question accordingly agreed to.

EAST MIDLANDS REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No.117A(3)).

That the East Midlands Regional Grand Committee shall meet in Nottingham on Wednesday 9 September between 1.00 pm and 3.30 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on Building Britain's Future: how the region will make the most of the upturn.—*(Kerry McCarthy.)*

The House divided: Ayes 98, Noes 104.

Division No. 159] **[4.27 pm**

AYES

Anderson, Mr. David
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brown, Lyn
Browne, rh Des
Bryant, Chris
Cairns, David
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
David, Mr. Wayne
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Maria
Efford, Clive
Engel, Natascha
Fisher, Mark
Fitzpatrick, Jim
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Hanson, rh Mr. David
Harman, rh Ms Harriet
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howarth, rh Mr. George
Illsley, Mr. Eric
Jackson, Glenda
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Mackinlay, Andrew
Mactaggart, Fiona
Mann, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCartney, rh Mr. Ian
Merron, Gillian
Moffatt, Laura
Morden, Jessica
Mudie, Mr. George
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Primarolo, rh Dawn
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Robertson, John
Rooney, Mr. Terry
Ruane, Chris
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Timms, rh Mr. Stephen
Twigg, Derek
Vaz, rh Keith
Watson, Mr. Tom
Whitehead, Dr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Mark Tami and
Mr. Dave Watts

NOES

Afriyie, Adam
Arbuthnot, rh Mr. James
Baker, Norman
Beith, rh Sir Alan
Bone, Mr. Peter
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Butterfill, Sir John
Cable, Dr. Vincent
Chope, Mr. Christopher

Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Oaten, Mr. Mark
Öpik, Lembit
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Alistair Burt and
Mr. Rob Wilson

Question accordingly negatived.

SOUTH EAST REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No.117A(3)),

That the South East Regional Grand Committee shall meet in Reading on Monday 14 September between 10.30 am and 1.00 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on identifying the growth sectors of the South East Economy and ensuring that their growth is maximised.—*(Kerry McCarthy.)*

The House divided: Ayes 112, Noes 105.

Division No. 160] **[4.38 pm**

AYES

Anderson, Mr. David
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Browne, rh Des
Bryant, Chris
Byers, rh Mr. Stephen
Cairns, David
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
David, Mr. Wayne
Davies, Mr. Quentin
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Mackinlay, Andrew
Mann, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
Merron, Gillian
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mudie, Mr. George
Mullin, Mr. Chris
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Primarolo, rh Dawn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Robertson, John
Rooney, Mr. Terry
Ruane, Chris
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Timms, rh Mr. Stephen
Twigg, Derek
Vaz, rh Keith
Watson, Mr. Tom
Whitehead, Dr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Mark Tami and
Mr. Dave Watts

NOES

Afriyie, Adam
Arbuthnot, rh Mr. James
Baker, Norman
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bone, Mr. Peter
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Chope, Mr. Christopher
Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gauke, Mr. David
George, Andrew

Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Osten, Mr. Mark
Öpik, Lembit
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Mr. Rob Wilson and
Angela Watkinson

Question accordingly agreed to.

Alan Duncan (Rutland and Melton) (Con): On a point of order, Mr. Deputy Speaker. The purpose of these motions is to provide for a uniform situation across England in which Regional Grand Committees are allowed to meet at certain appointed times. Following the Government's recent defeat, it appears that that policy is in complete disarray, and we now have inequity across England. Is it in your power to ask the Leader of the House to make a statement—hopefully, one in which she announces that she intends to withdraw all the motions and go back to the drawing board?

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to tell the hon. Gentleman that no such power is vested in the Chair. We must proceed with the business on the Order Paper. If the next motion is moved, the House will come to a decision.

YORKSHIRE AND HUMBER REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No. 117A(3)).

That the Yorkshire and Humber Regional Grand Committee shall meet in Barnsley on Thursday 29 October between 3.00 pm and 5.30 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on responding to the downturn and planning the region's future economy.—*(Kerry McCarthy.)*

The House divided: Ayes 118, Noes 110.

Division No. 161] **[4.49 pm**

AYES

Anderson, Mr. David
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Browne, rh Des
Bryant, Chris
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Clark, Paul
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
David, Mr. Wayne
Davies, Mr. Quentin
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Hain, rh Mr. Peter
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hill, rh Keith
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mann, John
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
Merron, Gillian
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mudie, Mr. George
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Primarolo, rh Dawn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Robertson, John
Rooney, Mr. Terry
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Timms, rh Mr. Stephen
Twigg, Derek
Vaz, rh Keith
Wareing, Mr. Robert N.
Watson, Mr. Tom
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Mark Tami and
Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Arbuthnot, rh Mr. James
Baker, Norman
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bone, Mr. Peter
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Chope, Mr. Christopher
Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Oaten, Mr. Mark
Opik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Mr. Rob Wilson and Angela Watkinson

Question accordingly agreed to.

EAST OF ENGLAND REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No.117A(3)),

That the East of England Regional Grand Committee shall meet in Bedford on Tuesday 8 September between 2.00 pm and 5.30 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on priorities for a future regional strategy.—*(Kerry McCarthy.)*

The House divided: Ayes 120, Noes 105.

Division No. 162] **[5.1 pm**

AYES

Anderson, Mr. David
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Browne, rh Des
Bryant, Chris
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Clark, Paul
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
David, Mr. Wayne
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Fitzpatrick, Jim
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Hain, rh Mr. Peter
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hill, rh Keith
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hutton, rh Mr. John
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mann, John
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
Merron, Gillian
Miliband, rh Edward
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mudie, Mr. George
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Primarolo, rh Dawn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Robertson, John
Rooney, Mr. Terry
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Twigg, Derek
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Mark Tami and Helen Jones

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Arbuthnot, rh Mr. James
Baker, Norman
Beith, rh Sir Alan
Bone, Mr. Peter
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cash, Mr. William
Chope, Mr. Christopher
Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Oaten, Mr. Mark
Öpik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Willetts, Mr. David
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Bill Wiggin and
Mr. Rob Wilson

Question accordingly agreed to.

NORTH WEST REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No.117A(3)),

That the North West Regional Grand Committee shall meet in Liverpool on Thursday 22 October between 2.00 pm and 5.30 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on Building Britain's Future: the North West's response to the economic downturn.—*(Mr. Watts.)*

The House divided: Ayes 120, Noes 105.

Division No. 163] **[5.12 pm**

AYES

Anderson, Mr. David
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Browne, rh Des
Bryant, Chris
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Clark, Paul
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
David, Mr. Wayne
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Hain, rh Mr. Peter
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hutton, rh Mr. John
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mann, John
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
Merron, Gillian
Miliband, rh Edward
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mudie, Mr. George
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reid, rh John
Rooney, Mr. Terry
Ruane, Chris
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Twigg, Derek
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Helen Jones and
Kerry McCarthy

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Arbuthnot, rh Mr. James
Baker, Norman
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bone, Mr. Peter
Boswell, Mr. Tim
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cash, Mr. William
Chope, Mr. Christopher
Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Öpik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Angela Watkinson and Mr. Rob Wilson

Question accordingly agreed to.

NORTH EAST REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No.117A(3)),

That the North East Regional Grand Committee shall meet in Middlesbrough on Friday 25 September between 10.30 am and 1.30 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on the regional economy: tackling the recession.—*(Mr. Watts.)*

The House divided: Ayes 121, Noes 100.

Division No. 164] **[5.23 pm**

AYES

Anderson, Mr. David
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Browne, rh Des
Bryant, Chris
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Clark, Paul
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
David, Mr. Wayne
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Hain, rh Mr. Peter
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hutton, rh Mr. John
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mann, John
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
Merron, Gillian
Miliband, rh Edward
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mudie, Mr. George
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reid, rh John
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Twigg, Derek
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Helen Jones and Kerry McCarthy

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Arbuthnot, rh Mr. James
Beith, rh Sir Alan

Bellingham, Mr. Henry
Bone, Mr. Peter
Boswell, Mr. Tim
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cash, Mr. William
Chope, Mr. Christopher
Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Huhne, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Öpik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Angela Watkinson and Mr. Rob Wilson

Question accordingly agreed to.

WEST MIDLANDS REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No.117A(3)).

That the West Midlands Regional Grand Committee shall meet in Sandwell on Thursday 8 October between 6.30 pm and 9.00 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on the economy: building the West Midlands' future. *(Mr. Watts.)*

The House divided: Ayes 124, Noes 99.

Division No. 165] **[5.32 pm**

AYES

Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Baird, Vera
Balls, rh Ed
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Browne, rh Des
Bryant, Chris
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Clark, Paul
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
David, Mr. Wayne
Dismore, Mr. Andrew
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Fitzpatrick, Jim
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hutton, rh Mr. John
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mann, John
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McGovern, Mr. Jim
Merron, Gillian
Miliband, rh Edward
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mudie, Mr. George
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Primarolo, rh Dawn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reid, rh John
Ruane, Chris
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Twigg, Derek
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

Tellers for the Ayes:
Helen Jones and Kerry McCarthy

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Arbuthnot, rh Mr. James
Baker, Norman
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bone, Mr. Peter
Boswell, Mr. Tim
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John

Cable, Dr. Vincent
Cash, Mr. William
Chope, Mr. Christopher
Clarke, rh Mr. Kenneth
Cox, Mr. Geoffrey
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evennett, Mr. David
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goodman, Mr. Paul
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Huhne, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Kirkbride, Miss Julie
Lait, Mrs. Jacqui
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Murrison, Dr. Andrew
Öpik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Younger-Ross, Richard

Tellers for the Noes:
Angela Watkinson and Mr. Rob Wilson

Question accordingly agreed to.

PETITION
School Transport (Hertfordshire)

5.43 pm

Mike Penning (Hemel Hempstead) (Con): It is a great pleasure to present the following petition on behalf of the residents of the beautiful village of Little Gaddesden in my constituency concerning the school bus service from Little Gaddesden to Tring.

The petition states:

The Petition of residents of Little Gaddesden, Hertfordshire, and others,

Declares that residents of the village are deeply unsatisfied with the current allocation of free school transport from the village of Little Gaddesden to Tring school; further declares that the treatment of children living in the Little Gaddesden pupil catchment area for Tring school is unfair and divisive.

The Petitioners therefore request that the House of Commons urges the Government to rectify the situation and provide free school transport for all pupils regardless of the location of their home within the village

And the Petitioners remain, etc.

[P000383]

Traditional Crafts

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

5.44 pm

Tom Levitt (High Peak) (Lab): I know that Members are anxious to get away and enjoy the lovely evening, so I will not delay us any longer than necessary. However, I do believe that traditional crafts in this country have had very little air time, so to speak, on the Floor of the House, and I would like to try to put that right.

Outside the workshop of Mike Turnock, who lives in Whaley Bridge in my constituency, there is a shelter that is evidently home to a community of toads. That is not the purpose of the shelter, however. It is also where Mike keeps his pieces of 5 ft long, 4-by-4 beech wood—the raw material for his family business, which he inherited from his father. Mike takes the beech and, using a band saw, cuts it into strips of about 5 mm thick. He chamfers each end of the strip and places it into a steam bath. This homemade device, powered by the electric elements from four kettles, makes the beech supple and mouldable. Once the beech has been steamed and dried, he bends it around a jig built to his exact requirements so that the ends of the strip overlap significantly. The ends are then nailed into position in an adept and professional manner, using nails of exactly the right length, and the base of a garden sieve or riddle has been created. He then drills the requisite number of holes around the entire perimeter of the riddle, half in a horizontal plane and half perpendicular. These are the basis for the weaving of the sieve itself from steel wire. By the time the web has been created, assisted again by custom-made tools, everything has been finished off safely with no projecting ends and a rim has been placed around the outside of the sieve, it has taken him an hour's work.

What Mike has created is a common or garden soil sieve, the like of which may be found in garden centres up and down the country. These are beautiful objects: they are rugged, good to hold, efficient and long lasting, and just so much nicer than the plastic equivalents that so many gardeners use today. In his father's day there would have been three or four men working in this workshop, and two or three similar workshops not too far away, but not today.

The garden sieve is not the only type of sieve that Mike Turnock makes. He makes larger ones and smaller ones, ones with larger meshes and with finer meshes, and ones designed for separating cockles or shrimps from seawater or even rivets from sand in the Sheffield casting industry. The finest grade sieves are actually easier to make because the smaller mesh is bought in ready made from China. The finest food grade sieves also have their own demands from industry.

I must declare an interest: my mother is now the proud owner of a garden sieve that Mike gave to me on the occasion of my visit to his workshop. Hon. Members may purchase their own from certain garden centres, although the supply is far less than potential demand, as Mike is the only person left in the country making these handmade sieves as far as I know. He only supplies garden centres in two regions of England.

When Mike took on the business from his father, it was a going concern. It still is today: he is making a living and evidently loving it. After a few lean years

[Tom Levitt]

caused by illness, he is now back in full production again. But Mike is 64. He and his wife are now looking to retirement and there is no one left to carry on this business, despite the potential that exists for increasing sales.

The same is true just down the road in Sheffield at the last handmade scissor makers in the country. Other craft skills are in equally short supply, which is ironic at a time when premium products such as these can sell on the basis of their quality and command a good price. Perhaps fortunes cannot be made, but livings certainly could be made from an expansion of these industries.

Indeed, figures produced by the Department for Culture, Media and Sport actually support what I am saying: there are 157,400 registered creative businesses in this country, and they have growth rates faster than the economy as a whole. The Crafts Council recently launched its "Crafts Blueprint" for creative industries, and said:

"New research undertaken by Creative & Cultural Skills has identified that craft generates almost £3 billion to the UK economy each year making it the fourth biggest sector"—

within the creative industries—

"after design, performing arts and music...Given that over 80% of the sector comprises small businesses employing 1-5 people, improving skills is essential to ensure this growth continues in the coming years."

It went on:

"The craft sector has one of the highest employment growth rates (11 per cent.) in the creative and cultural industries (according to DCMS between the years 1997-2006) and the demand for craft skills has never been higher. Expanding entry routes into the sector, diversifying the workforce and enhancing leadership and professional development are some of the main recommendations in the Blueprint."

In the same press release, Rosy Greenlees, executive director of the Crafts Council, said:

"The Crafts Council is committed to making the UK the best place to make, see and collect contemporary craft."

Why did she refer to contemporary craft? It would be wrong to exclude the traditional crafts that organisations such as the Heritage Crafts Association seek to conserve. The craftspeople concerned include the sieve maker, the rake maker, the handmade cutlery maker and others. They do not necessarily make objects of beauty or of stunning magnificence, which seems to be the focus of the craft-based media, but functional, traditional objects that require just as much skill to make as well as requiring a true sense of heritage and basic human purpose. The arts media and crafts media seem fixated on the idea of arts and crafts, and on linking the two together. I want to make the distinction. I have nothing against arts—not at all—but they should not subsume the crafts in that definition.

The Heritage Crafts Association was set up by, among others, my constituent Robin Wood, a pole-lathe bowl turner. The organisation believes that recognising the living heritage of skills offers great opportunities for education, community involvement and jobs and can even play a significant role in the tourism industry. However, what do the Craft Council and DCMS mean by the creative industries? Generally speaking, they mean the arts, the media and culture. They mean the conservation of buildings, artefacts and historical traditions. They even include—I very much welcome this—traditional skills related to the building trade, such as the production of lime mortar, stone roofing, thatching and stone walling. The National Trust, English Heritage and the Heritage Lottery Fund have even created apprenticeships to ensure that those skills are retained so that their precious buildings can be conserved. I do not use the word "precious" pejoratively. They are precious buildings, and those skills need to be preserved to ensure that such buildings can be maintained in the best possible condition. However, it is the other crafts—those that deal with useful tools that man has evolved over 1,000 years—that I am interested in today.

Outside the field of construction, support for such crafts is not what it could be, which is why people such as Mike Turnock cannot find the funding to take on an apprentice or someone to learn the trade and work with him long enough to take over his potentially flourishing business and expand it in the future, retaining his wonderful craftsmanship in our community.

We all know someone called Smith, Turner, Potter, Fletcher, Barker, Cartwright or even Thatcher. Those were the names originally given to those people who founded the crafts heritage in this country. In 2006 the UNESCO convention stated:

"Any efforts to safeguard traditional craftsmanship must focus not on preserving craft objects—no matter how beautiful, precious, rare or important they might be—but on creating conditions that will encourage artisans to continue to produce crafts of all kinds, and to transmit their skills and knowledge to others, especially younger members of their communities."

The goal of the UNESCO convention is to safeguard traditional craftsmanship by supporting the continuing transmission of knowledge and skills associated with traditional artisans, to ensure that crafts continue to be practised in their communities, providing livelihoods to their makers and reflecting creativity and adaptation. May I ask my hon. Friend the Minister why, when 107 countries from Albania and Algeria through to Zambia and Zimbabwe have seen fit to sign up to the convention, effectively making intangible cultural heritage part of their cultural policy, the UK is not one of those countries?

I want to turn for a moment to the Heritage Lottery Fund. It recently announced that 10 projects would benefit from a £7 million training bursary scheme. The projects involve archaeology, transport heritage, conservation volunteers, reed and sedge cutting and other schemes to help conserve things that are already there. It is very difficult to find examples of Government or lottery funding being used to create things from scratch or regenerate the skills that, like sieve making, are in danger of being lost.

In High Peak, I have not only that last sieve maker but Robin Wood, who tells me that he is the last professional pole-lathe bowl turner in the country. Both crafts have been established for more than 1,000 years, but it is difficult to see how they will survive even one more generation. The Crafts Council has recognised this problem, and I have referred already to the blueprint that it produced with Creative and Cultural Skills, which was launched recently in the other place. In it, the council points out that many of the craftspeople involved in cottage industries are elderly and without successors to whom they can pass on their skills. In addition, many are sole traders, with little incentive to take on an apprentice without external funding.

Many of these traditional skills are often referred to as "rural", but in fact they are urban as well. An example of that is the scissor makers of Sheffield, to

whom I have referred and on whose behalf my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) has campaigned.

It seems that only once these crafts are dead do they come under the remit of the heritage industry, as their products find their ways into museum displays and people take pride in their conservation and celebrate their memory. Why can we not give the same attention to the ailing small industries that create these iconic objects? Are not the skills as worthy of conservation as the products that they create? We assess the relative importance of protecting, preserving and finding new life for older buildings that we see as part of our heritage: why should we not take a similar approach to heritage craft skills, and allocate a budget to do so?

I know that the Department for Culture, Media and Sport has rightly welcomed the Government's announcement of the £1.1 billion future jobs fund, and the positive impact it will have in the field. I know that, among other things, the fund will pay for 5,000 apprenticeships in the creative industries. I know that the wider creative industries are a huge source—and potential future source—of income for this country, as well as generators of employment. I also know that helping a single-person business to keep going from one generation to the next is not the sexiest part of the DCMS agenda, but it is vital.

Making garden sieves is not going to bring this country out of recession, but it is a part of our tradition and it ought to have a future. I hope that my hon. Friend the Minister will tell us exactly how she will support the forgotten parts of the world of creative industries in the future.

The responsibilities of DCMS include sport as well as culture, and I am sure that the Minister will not need to ask the Minister for Sport, my hon. Friend the Member for Bradford, South (Mr. Sutcliffe), about where some of the nicknames that we give to our football clubs have come from. However, let me remind her of the Blades in Sheffield, the Cobblers in Northampton, the Saddlers in Walsall, the Hatters in Luton and the Silkmen just across the hills from me in Macclesfield.

I hope that my hon. Friend the Minister will take up the spirit of the UNESCO convention that I mentioned. I ask her to put on record not whether she will be backing to the hilt these small businesses in the creative field, but how she will do so.

5.57 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): First, may I congratulate my hon. Friend the Member for High Peak (Tom Levitt) on securing this debate about one of Britain's lesser known but still extremely important craft skills? As some hon. Members may know, no serious gardener, anxious to keep his or her soil in good tilth, would be without a good quality riddle—and, as my hon. Friend has made clear, should they be in need of one, his constituent Michael Turnock is just the man to supply it.

Mr. Turnock and his one-man riddle-making business in Whaley Bridge are well known locally for their high-quality products. His skills have also attracted national interest, and that makes it all the more sad and surprising that, so far, Mr. Turnock has failed to find anyone who wants to take over his business, despite the efforts of Mr. Robin Wood, who has done a great deal to popularise crafts and to make everyone, including the Government, aware of their situation.

However, Mr. Turnock's story is, unfortunately, all too familiar. Mechanisation and new materials have taken over the labour-intensive and time-consuming processes required to make one particular type of tool by hand. In fact, estimates made in 2004 suggested that, along with Mr. Turnock's, only six businesses in England still make that sort of craft product—three horse collar makers, two besom broom producers and one oak spale basket maker. I think that my hon. Friend mentioned another maker, and I shall get that product from him after the debate.

The picture is not much brighter even among better known crafts such as thatching, saddling or timber framing, where the number of people employed totals little more than 1,000. If as Mr. Turnock and others insist, craft products are in high demand, all that is missing are trainees or apprentices willing to take up placements in craft-based firms—

6 pm

Motion lapsed (Standing Order No. 9(3)),

Motion made, and Question proposed, That this House do now adjourn.—(*Mr. Watts.*)

Barbara Follett: My hon. Friend the Member for High Peak outlined some of the Government schemes to help single-person businesses, such as Mr. Turnock's, to attract and keep apprentices. For once—unusually—funding is not the problem. There is funding around, and there are a lot of courses; what we lack are people of any age who want to take up placements or apprenticeships in craft firms such as the one Mr. Turnock runs.

There are obviously many reasons for that situation. Sometimes, it is down to young people not being able to see a clear career path. Sometimes, it is because a person does not want to be a sole trader, or part of a small business. Sometimes, it is because younger people want to experience the bright lights of the cities, and craft trades tend to be in rural areas. Sometimes, it is just because people do not know that the opportunities and jobs exist, which is one of the areas where the Government can help—locally, regionally and centrally.

Overall, not many craftspeople have the time, or even the finance, to advertise what they do and to attract apprentices. It is a Catch-22 situation. Both the Government and the sector are very aware of the problems. This month, Creative and Cultural Skills published a crafts blueprint, to accompany and amplify the cultural heritage blueprint, which is a work force development plan designed to improve participation in the traditional skills sector. The success of recent television shows such as "Victorian Farm", as well as the 20-year waiting list for allotments in some areas, indicate real popular interest in sustainable traditional practices, which could lead to an appreciation of the time and care taken to produce quality hand-made items such as Mr. Turnock's riddles.

The UK is blessed with an extraordinarily wide variety of traditions and crafts. Coupled with increasing awareness of the economic, social and environmental impact of

[Barbara Follett]

our current life styles on the health of our planet, there has been a resurgence of interest in traditional crafts and practices. We are seeing a revival of traditional crafts such as carpentry, knitting, crocheting, quilting and tatting, as well as an increase in the number of craft magazines and programmes. New technology makes some crafts easier and opens up a new and much wider market for quality hand-made products made by people such as Mr. Turnock.

The Crafts Council supports Mr. Turnock's work, and the work of all the other people in the sector. The council organises events to showcase crafts. English Heritage helps to fund the very popular heritage open days and festivals of archaeology, which as well as opening up buildings to the public also promote traditional crafts and activities.

Crafts, as a skill, fall under several central Government Departments. The Department for Communities and Local Government is very keen on them because it believes that maintaining traditional skills in a community helps to define and shape local identity. It knows that a shortage of skilled people can hold up planning applications for historical buildings. The Commission for Architecture and the Built Environment published its "Skills to grow" report in partnership with 15 national bodies, including Lantra, which is the sector skills council for the land-based sector that focuses on horticultural green-space skills.

The Department for Business, Innovation and Skills is responsible for sector skills councils such as CABE. It provides a great deal of support for small businesses that are involved in craft areas. The Department for Environment, Food and Rural Affairs, and its agencies, Natural England and the Forestry Commission, are supporting traditional skills through their rural development programme. My Department, through its non-departmental public bodies and the lottery, shares those common interests and backs the projects. For example, the Heritage Lottery Fund has awarded more than £446 million to 1,300 projects that have delivered heritage skills training in not only blacksmithing, textiles and paper conservation, but traditional building skills, such as using lime mortar and dry-stone walling. Its £7 million bursary programme for on-the-job training in 10 areas in which it has found evidence of a shortage of crafts has helped to train new masons, hedge layers and millwrights.

My hon. Friend will be aware that English Heritage published the second "Heritage at Risk" report yesterday. Its finding confirmed the need for such skills locally and regionally. That is why English Heritage has been working with ConstructionSkills and the national heritage training group to address some of the shortages in traditional building craft skills. It is also why it has just signed a memorandum of understanding with the all-party arts and heritage group on maintaining standards and best practice in the built heritage sector.

I am glad that Arts Council England is also involved. It will spend more than £6 million this year alone on organisations involved in contemporary or heritage crafts, including by giving funding of £2.8 million to the Crafts Council to lead on contemporary crafts.

My hon. Friend talked about an international convention on crafts. I believe that he was referring to the 2003 convention for the safeguarding of the intangible cultural heritage. The Government have no plans to ratify the convention, but we are supportive of its aims and spirit. We are keen that the rich intangible cultural heritage of the United Kingdom is properly valued and, when necessary, preserved. However, we are wary of legislating on such a sensitive matter as culture, especially in an area such as intangible heritage which, by its very nature, is difficult to define. Ratifying the convention and setting out strict definitions of what our intangible cultural heritage is, and might be, could be constricting and controversial. For example, there are issues surrounding languages and dialects in the devolved Administrations and in Cornwall.

Whether tangible or intangible, however, our heritage is a marvellous asset that we want to protect and nurture. As a Regional Minister, I see a role for the regional development agencies and local authorities. They need to play their part, along with central Government and non-departmental bodies, in ensuring that our traditional skills are upheld and preserved.

We do not want to preserve things for their own sake; we want to preserve them because of what they add to our country and to what it has to offer. As Minister with responsibility for tourism, I know how much that offer is worth to our economy every year. I also know how important it is to get people involved. My hon. Friend may or may not have heard of the recent phenomenon of yarn bombing: think Banksy meets the women's institute. It is guerrilla knitting in the public realm. Its legality is still uncertain, but its creativity is not. It is a wonderful example of a centuries-old tradition being made relevant for today. I hope that we can offer an opportunity to uphold the heritage that men such as Mr. Turnock have preserved for us, and can make that heritage relevant and accessible to everybody.

Question put and agreed to.

6.10 pm

House adjourned.

House of Commons

Friday 26 June 2009

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House divided: Ayes 1, Noes 28.

Division No. 166] **[9.34 am**

AYES

Robathan, Mr. Andrew

Tellers for the Ayes:
Mr. Andrew Dismore and Willie Rennie

NOES

Beith, rh Sir Alan
Brazier, Mr. Julian
Chope, Mr. Christopher
Clark, Paul
Eagle, Maria
Follett, Barbara
Francois, Mr. Mark
Gardiner, Barry
Hanson, rh Mr. David
Heath, Mr. David
Hope, Phil
Howarth, Mr. Gerald
Irranca-Davies, Huw
Jackson, Mr. Stewart
Johnson, Ms Diana R.
Keeley, Barbara
Kidney, Mr. David
Knight, rh Jim
Lait, Mrs. Jacqui
Lewis, Dr. Julian
Neill, Robert
Pearson, Ian
Penrose, John
Rammell, Bill
Seabeck, Alison
Spellar, rh Mr. John
Vaizey, Mr. Edward
Whittingdale, Mr. John

Tellers for the Noes:
Steve McCabe and Kerry McCarthy

The Deputy Speaker declared that the Question was not decided because fewer than 40 Members had participated in the Division (Standing Order No. 41).

Point of Order

9.46 am

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Madam Deputy Speaker. On Wednesday, Mr. Speaker said that

"when Ministers have key policy statements to make, the House must be the first to hear them".—[*Official Report*, 24 June 2009; Vol. 494, c. 797.]

Today, in clear breach of that ruling, the Secretary of State for Children, Schools and Families has announced, through *The Guardian* and the BBC, that the Government have abandoned their literacy and numeracy strategy. The Secretary of State is either illiterate or contemptuous of Mr. Speaker's ruling, or both. What power do you have, Madam Deputy Speaker, to require the Secretary of State to attend the House today to apologise?

Madam Deputy Speaker (Sylvia Heal): I will bring to Mr. Speaker's attention the hon. Gentleman's remarks, which will of course now be on the record.

Holocaust (Return of Cultural Objects) Bill

(CHANGED FROM Holocaust (Stolen Art) Restitution Bill)

Consideration of Bill, as amended in the Public Bill Committee

Third Reading

9.47 am

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the Bill be now read the Third time.

I am grateful for the support that the Bill has received from both sides of the House. At the outset, I would like to thank the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Stevenage (Barbara Follett), her predecessor and her officials—especially Hillary Bauer—for their help in bringing the Bill to this stage. I also pay tribute to those who have campaigned for it, especially Anne Webber of the Commission for Looted Art in Europe, Jon Benjamin of the Board of Deputies of British Jews and my noble Friend Lord Janner, who has been a stalwart on the whole issue of holocaust restitution and who has agreed to take up the Bill in the other place if it receives a Third Reading today.

The Bill has changed its appearance somewhat since its Second Reading, through amendments made in Committee, but its effect and the policy behind it remain the same. It is now supplemented by explanatory notes and an impact assessment produced by my hon. Friend the Minister's officials. Its new title—the Holocaust (Return of Cultural Objects) Bill—better describes its purpose, which is straightforward: it is to meet our moral, if not legal, obligation to provide a mechanism for the return to their rightful owners of cultural objects held in national collections that were looted during the Nazi period.

I have taken a particular interest in this issue since first being elected to the House in 1997. On 17 February 2000, in response to a parliamentary question from me, the then Arts Minister—now my noble Friend Lord Howarth—announced the setting up of the Spoliation Advisory Panel under the chairmanship of Sir David Hirst. He said that the panel would consider and advise on claims from anyone who had lost possession of a cultural object during the Nazi era, when such an object was now in the possession of a UK national collection or gallery. Since then, the panel has adjudicated on a number of claims. It does so in detail, and shows fairness to both sides. Its most recent report, published only on Wednesday this week, concerned eight drawings in the Courtauld collection. It did not uphold that particular claim, although it dealt with the case extremely sympathetically.

The system provides an alternative to expensive and long-drawn-out legal proceedings, but it does not preclude that remedy if someone wishes to use it. The panel makes recommendations, including for compensation or for restitution, to the Secretary of State. So far, so good. The problem is that the law does not allow restitution for works held in some collections, as there is

no power to de-acquire—the current term—items. In other museums, the situation is different, leading to unjust, unfair and sometimes downright ludicrous outcomes where one of a pair of objects held in different collections can be restituted while the other cannot. The Bill seeks to remedy that problem.

The best estimate is that there are about 20 looted items in UK museums, but there could be more. The process of research by families is ongoing, and it can take quite a while to locate an item and document a claim, but not every rightful owner may want restitution. Some might, but others might settle for an ex gratia compensation payment or might simply want a public acknowledgement of rightful ownership by the gallery or museum concerned. It should be possible for the rightful owners to have the object back, once the matter has been decided to the satisfaction of Spoliation Advisory Panel, on its recommendation to the Minister; and that should not be prevented by the unintended consequences of the current law.

My Bill will provide a process, with appropriate safeguards, to achieve that outcome. It aims to work by agreement and by consensus. If there were a huge dispute, it would not work and the item would not be returned. The process is straightforward. The item claimed is referred to the panel; if the panel finds the object to be spoliated, it makes a recommendation for restitution to the Secretary of State if it thinks that is the proper remedy. If the Secretary of State accepts the recommendation that restitution is appropriate, he or she can trigger a power, not a duty, of de-accession to the museum concerned, which can then transfer the object to its rightful owner.

The Bill contains a series of safeguards. It does not override any special conditions or trust under which an object may be held. That would require complex legislation, and I baulked at even attempting that, as it would not be appropriate for a private Member's Bill. It is limited to a finite and definitive list of institutions that are set out in clause 1. It also has a 10-year sunset clause to provide, on the one hand, sufficient time to facilitate claims and identify objects, and, on the other, some long-term certainty for the public collections concerned. The Bill will apply to Scotland, at the request of the Scottish Executive; it is not required for Northern Ireland, which does not have this problem.

Above all, the Bill is strictly limited as to time, place and perpetrator with respect to the original deprivation of the object from its lawful owner. The object must have been taken during the Nazi era, as part of that appalling regime. It is not a Trojan horse for any other art works or cultural items. It is a discrete modest measure, limited in scope and time to rectify decades of injustice. I commend the Bill to the House.

9.53 am

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I congratulate once again the hon. Member for Hendon (Mr. Dismore) on introducing the Bill and on having a good chance of getting it on to the statute book. It is a great achievement to get a private Member's Bill passed into law. He has been extraordinarily successful in managing to get a large number of other such Bills on the Order Paper, some of which I suspect have rather less chance of being passed. I think he had to get up early in the morning to get this opportunity; it was time well spent.

The best way of getting a private Member's Bill passed is to pick up a subject that the Government are committed to advancing, but have failed to do so. The Government can then breathe a sigh of relief and use the vehicle provided by the private Member's Bill. That is exactly what the hon. Gentleman's Bill does. This country has long been committed to amending the law to allow the restitution of artefacts and artistic objects that were plainly looted. It has been an embarrassment that we have not done so.

The Select Committee on Culture, Media and Sport, which I chair, considered this issue a couple of years ago and called on the Government to make the necessary change. We were just one of a long list of bodies to have done so. I thoroughly support the Bill and I am delighted that it is likely to succeed.

One has to accept that the Bill is largely symbolic. We amended provisions in Committee to cover Wales, although there are no national institutions in Wales that would benefit from the Bill. It is nevertheless plainly right that we should extend it across the country. Equally, the one object—the Benventan missal, where there is clear evidence that it should be returned—will not be covered by the Bill, unless another application is made, because it has already been considered. It may well be that the Bill's provisions are never used. The Spoliation Advisory Panel has met very few times and the Bill may well pass on to the statute book and lie there. In my view, however, that does not matter. It is the fact that we have made the change that matters.

Many terrible atrocities were committed during the holocaust, and the looting of art is very minor in comparison with some of the horrific events that took place. The difference is that this issue is one that we can do something about and put right. By doing so, we send out a very important signal this morning. On that basis, I congratulate the hon. Gentleman on his Bill.

9.56 am

Sir Alan Beith (Berwick-upon-Tweed) (LD): I very much agree with the comments of the Chairman of the Culture, Media and Sport Committee. The Bill is indeed largely symbolic, but it is a very important symbol at a time when we have to challenge people who absurdly and for evil reasons of their own seek to deny that the holocaust ever happened. In that light, it is an important symbol that one manifestation of the holocaust—the looting of art treasures—is dealt with in a piece of legislation.

As the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) has just said, this Bill may be used, if at all, in very few cases—and even in those, as the hon. Member for Hendon (Mr. Dismore) suggested, some owners might be happy to see their rightful ownership acknowledged alongside the object in the museum or gallery in which it is housed. That in itself amounts to recognition of the circumstances of the holocaust and the Nazi looting of art property.

The symbol is important and I very much welcome the effort that has gone into the Bill, which has made it something that we can put on to the statute book with confidence. In doing so, I believe we take another small step towards asserting that it is our will and that of humanity that these things should not happen again.

9.57 am

Simon Hughes (North Southwark and Bermondsey) (LD): From the Liberal Front Bench and on behalf of all my colleagues, including my hon. Friend the Member for Bath (Mr. Foster) who usually speaks on cultural matters, I congratulate the hon. Member for Hendon (Mr. Dismore) on his Bill. It deals with an issue that I have followed for some years.

I believe that this is a model of a private Member's Bill. The title is now clearer and the Bill is extremely clear. There is no room for doubt about who the Bill applies to, what it applies to, which countries it applies to or the period to which it applies. The process that has to be gone through is also clear.

One of the institutions mentioned in the Bill—the Imperial War museum—is based in my constituency. It is a wonderful and prize-winning museum. Other institutions will also benefit from knowing that, as a result of the Bill, they can fulfil their cultural obligations to their users as well as their moral and historical obligations when they apply. The Nazi period, defined in the Bill as from the mid-1930s to 1945, left many scars on Europe—scars on individuals and families on our continent. One scar was that property was looted and never returned. The Bill provides the opportunity to correct that. The House is united on this Bill—a very good discrete piece of work that will put right something that has been sadly neglected for too long in spite of the many efforts to put it right in the past.

9.59 am

Mr. Edward Vaizey (Wantage) (Con): It falls to me to put on record from the Opposition Front Bench our congratulations to the hon. Member for Hendon (Mr. Dismore) on introducing this private Member's Bill. I also congratulate those he mentioned in his opening remarks, particularly Anne Webber, who has campaigned so assiduously for this measure, and David Lewis who worked with her and has been instrumental in keeping the Bill and the campaign at the front of my mind. The campaign has been long running. The Spoliation Advisory Panel was set up in 2000 and I think that my mother is a member of it, making the issue close to my heart. She is also a former trustee of the Imperial War museum, which she thinks is one of the finest museums in the country.

It is clear that every Member who has taken an interest in this issue supports the Bill as long overdue. It may well be the case that the Bill is nothing more than symbolic, but it is no less important for that as it puts on to the statute book a clear commitment from our national museums to return any object that has been found to have been looted during the Nazi period.

I welcome the Bill and assure the House that it has Conservative support. I hope it will proceed to the other place this morning with the minimum of fuss.

10 am

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): The Government have been pleased to support this Bill, which, I am glad to say, has enjoyed a quick and smooth passage through the House. This is due in no small part to the expert handling of it by my hon. Friend the Member for Hendon (Mr. Dismore), and to what he has rightly described as a friendly consensus between the parties. Like him, I welcome that.

The Bill is a short and carefully balanced measure that will rectify an anomaly in the way that national museums are able to deal with claims for the return of items lost during the Nazi era. Most importantly, it does not override the fundamental principle, supported by successive Governments, that the trustees of museums and galleries are the rightful guardians of our national collections and that they should be responsible for taking decisions about items in their care. The final decision on whether to transfer an item from a museum's collection will continue to be taken by museum trustees where the two conditions that trigger the power to de-accession are met: that the Spoliation Advisory Panel has recommended the return of the item and that Ministers have agreed.

Museum trustees should not have an unfettered power of disposal, however. The Government remain absolutely committed to protecting our national collections and will resist all attempts to see them broken up. The power to de-accession human remains that was given to museums in 2005, and the measures we are discussing here in the Bill, recognise that these are very special cases that warrant particular attention. Members have thus rightly stated that it is important that the matter is approached in a balanced way, and I think we have managed to achieve that. We have worked closely with my hon. Friend to get the Bill to this stage and, as part of that work, we have considered its compatibility with the Human Rights Act 1998. I am glad to say that we are satisfied that it is fully compatible.

Although this is a small and simple measure, we should not underestimate its importance. Throughout the second world war, the lives of millions of people were affected by the systematic campaign by the Nazis to wipe out whole peoples and their cultures. Part of that campaign was the looting of cultural treasures from both public and private collections, with many families being forced to give up prized possessions and heirlooms with little or no compensation. A tremendous effort to recover this looted art was made in the immediate aftermath of the second world war through the dedicated work of the "Monuments Men", a tiny band of 350 art historians, museum curators and professors. In May 1945, they began the work of finding, securing and returning the millions of pieces of art, sculpture, books, jewellery, furniture, tapestries and other cultural treasures looted, lost or displaced in the years of upheaval.

In 2000, the United Kingdom set up the Spoliation Advisory Panel. This has gone on to become a widely recognised and respected source of advice around the world. I should pause here to correct a statement I made in Committee. My hon. Friend was indeed right in saying that the Dutch restitution committee, which was modelled on the UK panel, is still accepting claims. While on the subject of international relations, I would also like to mention that the UK is represented at the conference on holocaust era assets, which is currently taking place in the Czech Republic. I am very glad that Lord Janner, who has done so much to bring this issue to the fore, is part of the UK delegation. The conference will be looking at a number of issues concerning the fate of holocaust survivors and of Jewish property

confiscated during the war, and it will be seeking to increase international efforts in this area.

In Committee, my hon. Friend said that he had discussed the case of the Beneventan missal with the British Library and the effect of the Bill on earlier cases considered by the Spoliation Advisory Panel where return was recommended but was not possible because of statutory restrictions on disposal. Let me make it clear that the power in the Bill will not be retrospective. If, after the Bill comes into force, a further claim is made for an item that the panel has already considered, it will be up to trustees of the institution concerned to decide whether once again to refer the claim to the panel. The panel would then decide whether to look at the claim again. If, after considering the new claim, the panel recommended the return of the item, the trustees would have the power to return the object. Where an ex-gratia payment had been made to the claimant on the first referral, this would need to be returned.

Let us review what the Bill will achieve. It will give the trustees of the bodies named in the Bill an additional power to transfer objects from their collection where the transfer is recommended by the designated panel and where that recommendation is approved by the Secretary of State, and Scottish Ministers in the case of an item in the Scottish national collections. As I said in Committee, the intention is to designate the Spoliation Advisory Panel.

The Act will expire 10 years after the day on which it is passed. Questions were raised on Second Reading about the tax implications of the Bill. The Treasury is looking into this and will consider whether any tax rules need changing as a result of these measures. I am pleased to be able to announce that the Scottish Parliament yesterday passed the legislative consent motion in order that the Bill might apply to Scotland.

A number of amendments to the Bill were also made in Committee and it may be helpful if I summarise the main changes. The bodies to which the Bill applies are now found in clause 1. The power to return victims' property is set out in a new clause 2. This might be an appropriate moment to provide further clarification on the point raised by the hon. Member for Wantage (Mr. Vaizey) about whether the term "cultural object" needs to be defined in the Bill. Although the Bill as introduced included such a definition, it has been substantially amended, with the able assistance of parliamentary counsel, and I can now say that the Bill as amended does not need to define a "cultural object". The Bill gives trustees a power to return any object which is in the collection for which the trustees are responsible where the two conditions are met, and we believe this is sufficient.

The new clause 3 defines the advisory panel for the purposes of the Act. The panel is to be designated by the Secretary of State and he may designate only a panel whose functions consist of considering claims relating to events occurring during the Nazi era of 1933 to 1945. Clause 4 deals with the short title, extent, commencement and sunset clause. Provision was also made for the Bill to extend to England and Wales and Scotland, although the power is not needed for museums in Wales. The short and long title of the Bill have been amended. The original reference to "stolen art" was too restrictive and does not reflect the many ways in which people were deprived of their property. The Spoliation Advisory Panel's terms of reference do not define the circumstances of loss and do not therefore limit its consideration to items that were stolen. The new long title better describes the Bill's purpose, which is to give the trustees of named bodies an additional power to transfer cultural objects in their collections.

This concludes the consideration of amendments made in Committee, and I should like to end by thanking my predecessor, my right hon. Friend the Member for Barking (Margaret Hodge), for the work she did on the Bill, by thanking the officials who have worked very hard with my hon. Friend the Member for Hendon, and by once again congratulating him. This is a real achievement, and the Bill is in excellent shape going forward. I hope that it receives wide support in the other place.

10.10 am

Mr. Dismore: I am grateful to all hon. Members for their comments this morning. This is an important measure. It might not be used—on the other hand, we cannot say that for sure: there may be other such cases. As I said earlier, up to 20 such items are in dispute. However, what is important is that we be seen to do justice to the victims of the holocaust and their families, and this Bill will do that. It closes, I hope, a chapter that we opened with the setting up of the Spoliation Advisory Panel nine years ago. I hope that now, we have finally produced the mechanism that will allow people to have back the objects taken from their families by that evil regime, the Nazis, between 1933 and 1945, and that the Bill will now receive its Third Reading.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Driving Instruction (Suspension and Exemption Powers) Bill

Consideration of Bill, as amended in the Public Bill Committee

Third Reading

10.11 am

Willie Rennie (Dunfermline and West Fife) (LD): I beg to move, That the Bill be now read the Third time.

I am grateful for the opportunity to give this Bill its Third Reading. For a child eager to prove their maturity, the driving licence is often a symbol of adulthood. I am not quite sure what my driving licence says about me—whether its ink-splatters and holes indicate maturity, or a now slightly tattered politician—but the learner's first lesson is filled with excitement and anticipation, and as the seat belt clicks into place and "kangaroo" petrol is put in the tank, there is a great sense of pride and excitement. For parents, there is only a feeling of dread at the number of hours they will spend on country lanes, never quite being sure whether this will be their last lesson—ever in this world.

I recall driving round the country roads of Fife on a dark, wet and windy night with my mother constantly reaching for a brake pedal on the passenger's side and never quite finding it. There is still a hole in the carpet on that side of the car. However, the thrill when I passed my driving test was unimaginable. I suddenly felt like a man, even though I was still a teenager. That is an important point, because many of those who pass their test are still children, and we entrust those who teach them with a duty of care and responsibility. I want to know that when my son reaches for the car keys, the person who will teach him to drive has been through the system, has been properly tested and audited and has the right qualifications.

That is why the case of Lesley Anne Steele, which had the potential to crush confidence in the whole driving instruction authorisation process, was horrifying. In 2005, Lesley Anne, a constituent of mine, was enthusiastically learning to drive. She was progressing well and gaining confidence with every lesson. She was looking forward to passing her test and enjoying the freedom that that brings. After one particular lesson, her instructor, James McNair Bennett, asked whether he could use the convenience in her house. Being obliging, Lesley Anne agreed, but Mr. Bennett had something else in mind. He sexually assaulted her in her own home. He was charged by police, and apparently admitted the offence immediately.

This is what Lesley Anne later told me in a letter:

"On the day of the trial Mr. Bennett was found guilty of assaulting me and with immediate effect was placed on the sex offenders' register. I was relieved that this was finally over and thought that Mr. Bennett wouldn't be allowed to continue to teach. The following day I received a call from a friend who had just seen Mr. Bennett out teaching. Then my partner spotted Mr. Bennett on the Monday, picking up a pupil close to our house",

just round the corner. Not surprisingly, Lesley Anne was angry—furious, in fact. She was disgusted not only by the original assault, but by the fact that Mr. Bennett was allowed to continue to operate as a driving instructor. The fact that he was out teaching the very next day was rubbing her nose in it. She was raging with anger and rightly so.

However, what made Lesley Anne explode was the response from the authorities. She made numerous calls to the Driving Standards Agency, which were never returned. On one occasion she did get through to the appropriate person, but was told that nothing could be done to help her. Because she was so furious, Lesley Anne subsequently waived her right to anonymity. She secured coverage in the national media to highlight her case, so that she could campaign for changes in order that others would not have to go through what she went through. At that point, she asked me for my help.

How could a sexual predator be allowed to continue to teach vulnerable young people in such a closed environment, when the judicial process had already determined he was a sex offender? I find it unbelievable that that situation was ever allowed to happen. However, Lesley Anne and I worked together to overhaul the process, and, along with the Government's hard work, we secured a number of achievements, such as criminal record checks for all approved driving instructors. The first trawl weeded out eight people who would still be teaching to this day if Lesley Anne had not fought that case. Secondly, the profession of driving instructor is now included in the notifiable occupations scheme and its Scottish equivalent, so that the DSA's registrar is informed immediately of any convictions. In fact, Mr. Bennett could still be teaching today if that scheme were not in place, because the courts were not obliged to tell the DSA that he had been convicted. Thirdly, customer care at the DSA was overhauled following the dreadful response to the case.

Most importantly, Lesley Anne got an apology from the then Minister and the officials. We were very grateful for that, because it made such a difference to her. Having to expose herself to media coverage was, like the event itself, a traumatic experience, so that apology was very important. However, there is still unfinished business, hence the Bill before us.

Because the appropriate process has to be gone through, there is a 45-day period between a driving instructor being convicted or removal from the register being indicated, and actual removal. In fact, it can take months—45 days is the minimum period. The registrar must first write to the instructor advising them that he is minded to remove their name from the register. The instructor then has 28 days to make representations against removal before the registrar can make a decision. The registrar must then notify the instructor of the decision and wait at least a further 14 days before removal can take effect. There is then a right of appeal.

It is right that all those measures be in place—it is important to have the right safeguards, so that representations and appropriate appeals can be made—but it is unacceptable to have a period of 45 days during which sexual predators could be out there teaching young people to drive. That is why I want the power of suspension to be introduced—so that young people cannot be preyed on by those such as James McNair Bennett, and so that such people are not allowed to exploit that loophole ever again.

The Bill's purpose is therefore to give the registrar the power to suspend driving instructors. It aims to close the 45-day-plus loophole, and it introduces the power to suspend when the registrar is already considering removal from the register. The registrar would be permitted to impose a suspension only when he believes that the

[Willie Rennie]

instructor concerned would, if they were not suspended, pose a significant threat to the safety of members of the public. The Bill rightly also includes a package to compensate for loss of reputation and earnings when the process goes wrong. This covers only the period of suspension—between the point at which notice of intent to suspend is given and the decision on removal—and the estimated cost is likely to be a maximum of between £50,000 and £60,000 per year. It is not likely to be anywhere near that. The estimate is that it may affect five people every year, but that is probably the upper end, because the trawl of the criminal records picked up only eight people—and covered a longer period of time.

The Bill applies not only to approved driving instructors but to large trainee instructors. It is important that the mass army of trainee instructors is also covered, so that no one slips through the net. An amendment in Committee blocked a potential loophole connected to trainee instructors' right to extend their certification. They will still have the ability to extend it, but not for the purpose of avoiding a suspension.

The DSA does not have an unlimited period to consider the removal from the register. It is limited to 75 days after which the suspension is withdrawn. That is an important safeguard. The instructors, of course, still have the right to appeal that natural justice requires. This is a simple, but essential, Bill, and I am grateful to the three Front-Bench teams for their support and indeed encouragement throughout this process.

Simon Hughes (North Southwark and Bermondsey) (LD): Can my hon. Friend remind the House why the Bill does not and cannot apply to Northern Ireland?

Willie Rennie: That is a very good question, and I hope that the Minister will be able to assist me with it. My hon. Friend has been very helpful in asking a question to which I do not know the answer. I am grateful for that intervention although I hope that he does not make another.

I do not wish to give the impression that the driving instruction profession is riddled with sex offenders as almost every one of the 40,000 driving instructors is of good character and ability and has adopted the highest professional standards. I have been determined throughout the three years of this battle to protect not only learner drivers from sexual predators, but the reputation of driving instructors. This Bill will help to enhance that reputation, because people will be able to have confidence in the process and the system.

This has been a long battle. It has been more than three years since Lesley Anne knocked on my door and during that time I have been grateful for the support of so many hon. Members. They include the hon. Member for South Thanet (Dr. Ladyman) who was the Minister responsible at the time. He immediately recognised the problem, apologised personally to Lesley Anne and set in train many of the changes that I have set out this morning. I am also grateful to his successor, now the Minister of State, Department for Environment, Food and Rural Affairs, who committed considerable time and effort to the Bill, overcoming many hurdles in the process.

The Bill would have fallen at Second Reading if it were not for two Members. The first is the hon. Member for North-East Bedfordshire (Alistair Burt), who used considerable political capital to ensure the Bill progressed. He overcame the process to ensure that the Bill secured a Second Reading. The second—and some may be surprised at this—was the hon. Member for Christchurch (Mr. Chope), who was in his place earlier. His wise advice and support were gratefully received, and I hope that that is not a reason for others to change their mind about supporting the Bill. I am genuinely grateful for his wise counsel.

I also thank the hon. Member for Scarborough and Whitby (Mr. Goodwill) and my hon. Friend the Member for Cheadle (Mark Hunter) who served on the Front Benches in Committee and were very supportive. I also thank the Minister today. He is new to this Bill, but he caught on to it quickly in Committee and understood the details.

This issue has had an extensive hearing in Parliament—in Westminster Hall, as a ten-minute Bill and now this Bill. I am grateful for the support of the sponsors of my ten-minute Bill and of this Bill, and to the Committee members last week who tested the Bill in an extremely professional and fair manner. As they have been trained to do, the Whips have been lurking in the shadows, but have been benign on this occasion. They did inquire how long I intended to speak today—perhaps they had an ulterior motive.

I am also grateful to the Clerks and the departmental and DSA officials, who are impressive for two reasons. First, they are good at their job, and secondly they can explain it to me, and that is no mean feat. I have also been fortunate to have excellent members of staff, both in my constituency and in the House. I thank them for their work on this Bill, especially David Hall—who has since moved on—and Caron Lindsay who did the initial spadework in digging out the loophole. John Foster and my other members of staff in Dunfermline have also been fantastic.

John Myers devoted his life to teaching the art of safe and responsible driving. He built the Myers school of driving in Dunfermline into a thriving business that is respected and trusted in the community, and he was very supportive of my efforts. Unfortunately, John passed away recently so I am not able to thank him in person, but I am grateful for his support and for giving me the confidence that the driving instruction profession were behind my efforts.

Finally, and most importantly, I thank Lesley Anne Steele, my courageous constituent who stood up, braved the media and insisted that a wrong be put right so that others need not suffer as she clearly did. Lesley Anne has now passed her driving test and is a proficient driver. She is also now happily married and enjoying life. Let us pass this Bill for her, for her sake and for the thousands of people who learn to drive every year. I commend the Bill to the House.

10.26 am

Simon Hughes (North Southwark and Bermondsey) (LD): First, I must apologise to my hon. Friend the Member for Dunfermline and West Fife (Willie Rennie) for asking what was probably the one question on the Bill to which he did not know the answer. It was not

meant to be a trick question. He was so competent and omniscient on the Bill that I assumed that everything would be within his remit. I apologise profusely and I will make it up to him later.

Willie Rennie: I thank my hon. Friend for reinforcing the point that I was unable to answer his question.

Simon Hughes: My hon. Friend is giving me a hard time, but it is not justified.

My hon. Friend has done himself, his constituents, the country and, above all, his constituent, Lesley Anne Steele a great service by ensuring that this gap in the legislation has been filled. Everyone under the age of 80 or so has had to pass a driving test to be able to drive in this country—none of us is of that older generation. My dad certainly never had to pass a test, although he was a very good driver and a member of the Institute of Advanced Motorists. To pass a test, almost everybody has some formal lessons, usually at least eight or so. They are not cheap, so young and enthusiastic learners—although some people learn later in life—commit themselves to someone, trusting in their competence and in their integrity. My hon. Friend has exposed the loophole in the legislation that meant that we could not guarantee the integrity of the people doing that instruction.

It is almost invariably the practice, for good reasons of safety, that the person who is learning to drive is on their own with the instructor—many people, when they do their driving practice with family members, also do not have anyone else in the car—and that is another obvious reason why offenders should not be able to continue in that profession, and why those under suspicion should also be suspended for as long as the matter is being investigated. In the case that my hon. Friend has mentioned, the abuse was not committed in the car, but sometimes that does happen, so the powers in the Bill are very important.

My hon. Friend has also made sure, with the help of civil servants, no doubt, and of the people to whom he has paid tribute, that the Bill also provides the guarantee of natural justice—it ensures that compensation is available to anybody who is improperly suspected or suspended. However, the precautionary principle must apply in these circumstances—I am very clear about that. It is much better to err on the side of being careful than on the side of taking a risk. That is why the power to suspend and then, if something is unfairly alleged, to compensate, is much better than a power only to defer suspension until the facts are established. I am sure that that is the right way round.

My hon. Friend is the second example this morning of a colleague realising that a wrong needed to be righted, pursuing it through all the proper channels and being absolutely determined about it. We owe thanks to the hon. Member for Hendon (Mr. Dismore) for his Bill and to my hon. Friend the Member for Dunfermline and West Fife for this one.

My hon. Friend paid tribute at the beginning and the end of his speech to the courage of his constituent, and we need to remind ourselves of that. Many people in her circumstances, understandably, would not want to go public about such an issue. But for her bravery in being willing to put the general public interest above her own traumatic experience, we would not have had the opportunity to use her enthusiasm, understanding and commitment as the motivation behind this legislation. I hope that we will all join in paying tribute to her and wishing her and her family all the best. We should thank them, because they have done a public service that my hon. Friend has replicated this morning.

10.31 am

Mr. Julian Brazier (Canterbury) (Con): I, too, congratulate the hon. Member for Dunfermline and West Fife (Willie Rennie) on introducing this Bill. It does what private Members' Bills do best—it addresses a specific, narrowly defined wrong with a clearly defined remedy. I also want to pay tribute to his brave constituent, Lesley Anne. I should perhaps declare an interest in that I have a son who is going through his driving lessons. As he is a large, rugby playing medical student, I do not think that he is especially vulnerable, but I have another son who has just passed his test and another who will come up for it very shortly, so I am heavily focused on driving tests.

It was quite right for the hon. Gentleman to remind us what an important profession driving instruction is. The 40,000 driving instructors in this country have played a large role in the way in which successive Governments have pushed down the accident rate. Having been responsible for a fatal accident on the roads, I take a close interest in these matters. The way in which the death toll on the roads in this country goes steadily down and down, year on year, is very encouraging. Indeed, it compares favourably with that in many comparable countries.

The hon. Gentleman has produced a very sensible, balanced little measure. He has sensibly built in a 75-day time limit, so that an unfortunate driver against whom a malicious or unfair allegation has been made is clear about the period involved. He has also, quite rightly, included the appeal and compensation mechanisms.

Clearly, this is too small an issue for long-term statistics to be collected, but it would be interesting if, after the first couple of years of the Bill's operation, a small written statement was issued to say how often its terms had been applied and whether there had been any successful appeals. There is a slight danger, thinking back to what the hon. Member for North Southwark and Bermondsey (Simon Hughes) said about the fact that driving lessons are almost always one-on-one, that if word got around, a disgruntled pupil, for example, might use the measure in completely the wrong way against a driving instructor. I hope that that will not happen but it will be interesting to see, after the first year or two, what the statistics show and whether there have been a number of successful appeals, because we might need to fine-tune the legislation.

Willie Rennie: The Bill was designed to ensure that we do not establish a separate sphere of prosecution. Only if the registrar is already considering removing an instructor from the register can they suspend, and only when the case is serious. Nobody has free range to complain about the instructors. The Bill is quite tightly defined, so there is no extra sphere of discipline.

Mr. Brazier: I am grateful to the hon. Gentleman for that intervention, and I take his point. That was what I meant when I said that the Bill looks extremely watertight and well balanced. It would be interesting, none the

[Mr. Brazier]

less, to see the figures after the first or second year of its operation. If we found that there had been several successful appeals, we might wonder whether the provisions needed a bit more fine-tuning.

The bottom line is that thanks to a courageous young lady—it takes a lot of courage to come forward and talk about such a deeply unpleasant episode in public—and to the energies of her Member of Parliament, we have this good piece of legislation before us. I am delighted, on behalf of the official Opposition, to support it.

10.36 am

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I am delighted to be here in support of the hon. Member for Dunfermline and West Fife (Willie Rennie). I thank him for introducing the Bill and congratulate him on his considerable efforts over recent years in pursuing the underlying issue that the Bill seeks to address. He has certainly shown a commendable tenacity.

I shall pick up on one or two comments that have been made. The hon. Gentleman talked about the responsibility of a parent when children are taking their driving lessons and working towards a test to give them the independence held by some 34 million people in our country who have full driving licences. We want to know that our children are in safe hands and the hands of people whom we trust.

The vast majority of our driving instructors who are fully approved, and those who are training, are doing an excellent job in accordance with all the right codes of practice. Each and every year we ask our driving instructors to undertake that training. Some 800,000 people passed their driving test in 2007-08, which is about 44 per cent. of those who took it.

The hon. Member for Canterbury (Mr. Brazier) recognised the great achievement in this country of the reduction in the number of road casualties. I am delighted to say that the figures published yesterday show that Britain and Sweden are joint first place among the major nations for having the safest roads. However, some 2,500 people are still killed on our roads every year. We need that figure to fall still further. It has already come down by 14 per cent. since last year and by 40 per cent. over the past 10 years, but we need to go much further. Our driving instructors are part of ensuring that we have the highest standards for training new drivers-to-be.

It is quite ironic that today I have the privilege of supporting this Bill about driving instructors and ensuring that people like Lesley Anne Steele are protected, and yesterday I was announcing road safety statistics. I want to put on the record my thanks to Steve, the driving instructor from Gillingham, for his forthcoming patience with my daughter, who took her first driving lesson yesterday. I congratulate him on his nerves of steel, and apologise to my daughter for that comment. That brings home—I probably should not go home tonight; I suspect that I will be in trouble, and Rachel will kill me—the fact that we put trust in people in such professions, and in many other walks of life. I am grateful for the work that they do.

Simon Hughes: I do not want to add to the Minister's woes, but out of interest, can he tell us whether it is his and the Department's assessment that we have enough driving instructors across the UK? Do we have fewer than we need? What has been the trend in the number of people coming into that registered occupation?

Paul Clark: There about 45,000 driving instructors. The Driving Standards Agency monitors numbers and requirements. The average learner takes 52 hours of formal lessons in training; that is 50 per cent. more than 15 years ago. There has been an increase in the number of driving instructors. Of course, part of the role of the DSA is to monitor whether there is enough provision in parts of the country where there is demand. The average spent by individuals on learning to drive is about £1,500.

I know that the hon. Member for Dunfermline and West Fife would want me to put on record that we are delighted to be joined by the former Minister with responsibility for driving standards, my hon. Friend the Minister of State, Department for Environment, Food and Rural Affairs, who assisted the hon. Gentleman a great deal with the Bill and the process of introducing it.

Simon Hughes: The Minister was kind enough to answer my question generally, but perhaps by the end of the debate he could give specific figures. If there are vacancies—that is, if more driving instructors would be useful, and would speed things up and increase the chance for people to get into the system and have lessons—I am keen that the public should know about it, because lots of people are looking for jobs. It is a good job to do and, for people with the relevant skill, it is a very suitable profession.

Paul Clark: I certainly take those comments on board. If I can give the hon. Gentleman any specific figures before the end of the debate, I will. Undoubtedly, in times of difficulty in other areas of employment, and in a recession, the number of people considering such a route increases, so he is absolutely right.

I think that I am right to say that without the change in law that the hon. Member for Dunfermline and West Fife has resolutely pursued for several years, there would be a continuing risk to learner drivers from the very people in whom they put their trust; we have put that on the record. We have an opportunity to amend current legislation to provide further protection for the public, and learner drivers in particular. We must take that opportunity to ensure that others do not have to endure the emotional distress experienced by his constituent, Lesley Anne Steele. In Committee, and in proceedings on the Floor of the House on the money resolution, I put on record my thanks to the hon. Gentleman's constituent for making her complaint and taking it forward, and for raising and highlighting the issues, no doubt at great personal expense. I do so again now.

The issue is not just theoretical, as we have said. It arises from the clear case that the hon. Gentleman outlined, and his constituent's resolve to ensure that we close the loophole in legislation. The problem that the Bill seeks to address centres on the inability of the registrar of approved driving instructors—the profession's regulator, and an official of the Driving Standards Agency—to prevent registered or licensed driving instructors from providing paid tuition with immediate effect, when

that instructor represents a significant threat to the safety of the public. I will talk about "significant threat" later, because that will help to clarify one or two of the points raised about whether the provision could be used maliciously, as can happen in the teaching profession, where complaints are often made. That was raised in Committee.

The issue is not new, as the legislation dealing with the registration of driving instructors and their removal from the register has been on the statute book for many years. Part V of the Road Traffic Act 1988 contains the key provisions relating to the registration of persons who wish to provide paid instruction in the driving of motor vehicles. To provide such instruction lawfully, a person's name must be on the register maintained by the registrar, or that person must be a trainee instructor to whom the registrar has issued a licence.

It might help if I briefly remind the House of the legislative framework covering the approval and registration of those who wish to give driving instruction for payment. As I mentioned, part V of the 1988 Act is the main primary legislation. It was amended in part by the Transport Act 2000 and will be further amended by as yet uncommenced provisions in the Road Safety Act 2006, to which I will return shortly. The relevant secondary legislation made under the 1988 Act is the Motor Cars (Driving Instruction) Regulations 2005. As hon. Members would expect, those regulations specify the detailed requirements applying to trainee driving instructors and approved driving instructors.

For trainee instructors, the regulations specify the process that must be completed in order to join the register, the fees for the tests taken and other important matters, such as the time limits that apply. However, as I will explain, simply passing the qualifying tests does not guarantee trainee instructors admission to the register. For approved driving instructors, the regulations clearly identify the requirements that apply to them on joining the register and thereafter.

As the House would expect, gaining entry to the register is not a trivial achievement. The standards are deliberately set high to reflect the responsibility that driving instructors will have. Approved driving instructors instil into learner drivers life-saving skills, principally the skill of how to drive safely on our increasingly busy roads. Total annual road mileage is 10 times greater than it was in 1950. Indeed, it has increased by 14 per cent. since 1997, so we recognise the even greater demands on our driving instructors these days.

The exams are in three parts: there is a theory test, a practical test of ability and fitness to drive, and a practical test of ability and fitness to instruct. The subject matter of the first two parts—the theory and practical driving tests—is similar to that covered in the test taken by learner drivers, but the standards expected of those taking those two parts are significantly higher than those that apply to learner drivers. The part 1 examination—the theory test—consists of two sections. There is a set of multiple choice questions and a hazard perception test. The multiple choice part of the driving instructor test consists of 100 questions, of which a candidate must pass 85. That compares to the multiple choice element of the test taken by learners, which consists of 50 questions, of which 43 must be passed.

The hazard perception test has a maximum possible mark of 75. For the driving instructor test, the pass mark is 57; that compares with 44 for learner drivers. The ability and fitness to drive test for driving instructors—the part 2 test—lasts an hour, whereas for learner drivers there is about half an hour of on-road driving. Potential driving instructors are allowed only six driving faults, whereas learners are allowed 15. To add further rigour to the process, there are restrictions on the number of attempts that can be made in some of the tests, and time limits also apply. For example, the application for the test assessing ability and fitness to instruct must be made within two years of passing the theory test. Also, no more than three attempts may be made at the test assessing ability and fitness to instruct.

The pass rate for the instructors theory test is 51 per cent. For the instructors practical driving test it is 50 per cent., and for the final part it is only 30 per cent. The overall effect is a rigorous selection process that ensures that only competent instructors gain admission to the register. The fees are £111 for the instructors theory test, and £111 each for the instructors practical driving test and the test of ability to give instruction.

Some trainee instructors will never have been in a situation where they have had to provide formal tuition of any kind. For them, the test of ability and fitness to instruct can be quite daunting. Not only do they have to demonstrate knowledge of driving theory and practice, but they have to satisfy the Driving Standards Agency examiner that they are competent in giving instruction. Knowing the subject is one thing, but being able to impart it to pupils is at least equally important. Many of us know that someone may be expert in a given subject, but being able to impart that knowledge to others, possibly as a teacher, is not second nature. Imparting knowledge and high standards of driving to others is a skill in itself.

The trainee licence scheme helps trainee instructors to prepare for the test of ability and fitness to instruct. Provided that trainees have passed the first two parts of the qualifying examination—the instructors theory and practical driving tests—they can apply to the registrar for a licence that permits them to give paid driving instruction without being on the register. Effectively, they are exempted from the requirement to be registered in order to give paid instruction. If granted, the licence lasts for six months but can be renewed in certain circumstances, such as where illness has prevented the trainee from taking the test of instructional ability during the period of validity of the licence. A condition of the trainee licence is that the holder must be supervised by an approved driving instructor during the currency of the licence. The cost of the trainee licence is currently £140.

The hon. Gentleman indicated that the Bill was not originally intended to cover trainee instructors. Uncommenced provisions in the Road Safety Act 2006 will repeal the trainee licence provisions in the Road Traffic Act 1988 and replace them with an exemption arrangement, to be made by statutory instrument. That will enable the DSA to introduce greater flexibility into the qualifying process for entry to the register, which will benefit trainee instructors while retaining the ability of the registrar to permit trainee instructors to undertake paid instruction and so gain experience in preparation for taking the test of instructional ability.

[Paul Clark]

I have outlined the technical requirements, but there is another important requirement. Both approved driving instructors and trainee instructors must be "fit and proper" persons either for their names to be entered in the register or for them to be granted a trainee licence. The phrase "fit and proper" is not defined in the legislation, and the legislation is probably the better as a consequence. It allows the registrar to make a judgment as to an individual's suitability to be an approved driving instructor or trainee instructor, based on their character and conduct. That is vital when we consider that approved driving instructors and licensed trainee instructors give instruction, often to young people under the age of 18, on a one-to-one basis, in an enclosed environment, and possibly in a remote location. For that reason, the conduct expected of driving instructors must be exemplary.

The checking process was discussed in Committee, and the hon. Gentleman today mentioned criminal records. It is the applicant's criminal record in which the registrar takes most interest. Where a potential instructor has been found guilty of a serious offence, particularly one of a sexual or violent nature, it is most unlikely that they will be considered suitable to be admitted to the register or to be granted a trainee licence.

The registrar considers each application on its merits, taking account of the individual circumstances. An applicant, for example, who was found guilty 30 years ago of committing an assault at the age of 18, and who has a clean record since, may be considered more suitable than someone who committed a sexual assault in the past two years. It will depend on the situation and the person in each case. The registrar must take account of the Rehabilitation of Offenders Act 1974. It would be wrong to prevent people from becoming an instructor simply because they had a criminal conviction, but where he has a significant concern about the suitability of an individual to become an instructor, the registrar will refuse the application.

The hon. Member for Canterbury requested a review of the way in which that discretion had been used. I am sure we can take that on board, as part of the DSA reporting process. All hon. Members want to ensure that we have the highest standards and catch individuals likely to offend as instructors. We all want the legislation to deliver what we expect from it.

Barry Gardiner (Brent, North) (Lab): In relation to the other point made by the hon. Member for Canterbury (Mr. Brazier), will my hon. Friend confirm that suspension will occur only after conviction, not on the basis of an accusation by a member of the public? To state that would clarify matters.

Paul Clark: I thank my hon. Friend for that question. As has been said, the provision can be used only in conjunction with the steps that will be taken to revoke a licence and along the lines indicated. We want to avoid a repetition of the effects of malicious rumours or gossip on members of other professions, and we have ensured that the provision can be used only in conjunction with a process that was already going to be undertaken by the registrar.

Simon Hughes: The Minister will be aware of the conviction not long ago of a black cab driver, John Worboys, a constituent of mine, who had committed a series of very serious offences and asked for many offences to be taken into consideration. Will the Minister have a conversation with colleagues in the Home Office or the police, so that information about people who have never been convicted but who have come up on the radar for serious offences is at least shared, so that that can be part of the consideration?

Paul Clark: I appreciate the hon. Gentleman's point. I shall come to the processes that we have undertaken in conjunction with the Home Office to ensure that such cases are flagged up. It would be wrong for us not to discuss with colleagues in other Departments any lessons to be learned from cases that come up. We will develop guidance from the knowledge that we have so far, including learning from cases such as the one that he mentioned, and that guidance will be issued by the registrar.

It may help if I speak about administering the character and conduct assessment when someone is applying to join the register. We must ensure that there is provision to deal with those who are already registered, but then commit a serious offence. The 1988 Act contains provisions enabling the registrar to remove instructors from the register or revoke their licences where they cease to be "fit and proper" persons, but it is not a quick process. The registrar must inform the individual that he is minded to remove him from the register, allowing 28 days for representations to be made to the registrar.

The registrar is not permitted to reach a decision until those 28 days have expired and, before deciding whether to remove the instructor, must take into consideration any representations that have been made. That is a fair process. We understand why the approved driving instructor should be given a reasonable opportunity to compile and submit evidence to support the retention of their registration.

Mr. Brazier: Before the Minister leaves the significant point made by the hon. Member for North Southwark and Bermondsey (Simon Hughes), will he read across to other areas of Government thinking? It seems odd that the concept of a fit and proper person, which is rightly central and which can take account of representations that go beyond convictions, has been taken out of so many other areas, such as that on licensees.

Paul Clark: I will not speculate on the detailed provisions of other areas. It is always right that there should be fairness and openness in our systems when we seek to take away someone's livelihood. We must have that balance. That is why it is good that the Bill provides for a compensation scheme. However, it is equally important, as I know the hon. Gentleman agrees, that we protect people such as Lesley Anne Steele.

The time issue is important, because once the registrar decides to remove the instructor's name from the register after those 28 days, having considered the representations that have been made, there is a further period of at least 14 days before the notice can take effect. The instructor also has the right of appeal against the registrar's decision. Currently, the appeal is to the transport tribunal, but in future it will be heard by the new first-tier tribunal.

The statutory time scales mean that, taking everything into account, it takes a minimum of 45 days for an approved driving instructor's name to be removed from the register. So even where an instructor is found guilty of a serious offence but is bailed pending sentencing or receives a non-custodial sentence, the registrar has no means by which he can quickly prevent him from continuing to give paid instruction. Therefore it is essential that that loophole is closed.

I want to put on record the work and commitment of my hon. Friend the Member for South Thanet (Dr. Ladyman), and acknowledge his immediate recognition of the issue on meeting the hon. Member for Dunfermline and West Fife and his constituent, and the apology that he gave at that time. In November 2006, the hon. Gentleman secured a Westminster Hall debate to discuss the laws regarding driving instructors who commit sexual offences and obtained a commitment from my hon. Friend to look at whether the removal process could be shortened. That was followed by a series of parliamentary questions on the same issue.

In October 2008, the hon. Gentleman introduced the Driving Instruction (Sexual Offences) Bill under the ten-minute rule, which unfortunately did not get beyond First Reading. At the same, the Department for Transport and the DSA were actively considering options. They proposed a handout Bill in late 2008, the Driving Instruction (Suspension and Exemption Powers) Bill, the title of which may sound familiar. That was not taken up by those successful in the ballot, but the hon. Gentleman approached my immediate predecessor, who I am delighted is present—my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), who has now flown to the Department for the Environment, Food and Rural Affairs, and we congratulate him on that—requesting details of the long and short titles of the handout Bill. Having been given the information he had requested, the hon. Member for Dunfermline and West Fife introduced this Bill on 25 February 2009. Since then, as he has recognised, he has been supported by the Government and their officials through its Second Reading and its Committee stage on 17 June.

It is also right that I should place on record the support that the hon. Gentleman has received from my predecessors, my hon. Friend the Member for South Thanet and my right hon. Friend the Member for Poplar and Canning Town. Both of them identified the need to amend the legislation so that cases such as those of Lesley Anne Steele should not happen in the future, and committed to doing so at the earliest opportunity.

The DSA had also been busy exploring non-legislative options for further improving the robustness of its procedures for ensuring that approved driving instructors are fit and proper persons on admission to the register and remain so. In February 2007, the agency succeeded in persuading the Home Office that the profession of driving instructor should be included within the notifiable occupation scheme. That was followed in July 2007 by its inclusion in the equivalent scheme in Scotland. Under the scheme and its Scottish equivalent, the registrar is notified of criminal convictions received by approved driving instructors. The registrar receives, on average, about five notifications a month, but the majority relate to minor crimes. The scheme is not perfect. For example, a court may be unaware that the defendant is an approved driving instructor, particularly where the charge is not driving-related and where the approved driving instructor has more than one occupation.

Such a limitation does not significantly undermine the inclusion of driving instruction within the notifiable occupation scheme. However, it does mean that the volume of notifications received by the registrar may be an underestimate of the numbers of convicted instructors. It underlines the need for further information, such as that arising from criminal record disclosures, and that picks up the point made by the hon. Member for North Southwark and Bermondsey (Simon Hughes) about learning the lessons from other cases.

In March 2007, the DSA introduced enhanced criminal record disclosures for new applicants starting the approved driving instructor qualifying process. That means that the registrar receives information for all applicants on past convictions—even those covered by the Rehabilitation of Offenders Act 1974. By the end of May 2009, more than 41,200 trainee instructors had been checked and 319 refused entry to the register on the basis of the information obtained via the disclosure.

Since April 2008, all approved driving instructors applying to renew their registration, which expires and must be renewed at least once every four years, have also been required to provide an enhanced criminal record disclosure. That is intended, in part, to verify that approved driving instructors are complying with the condition of their registration that requires them to notify the registrar of any convictions they receive during their period of registration.

Those approved driving instructors who joined the register prior to March 2007, and whose registrations have yet to come up for renewal, have been encouraged to supply voluntary enhanced criminal record disclosures for which the DSA has met the cost. As a result, almost 40,500 approved driving instructors, out of about 45,000 on the register, had been checked by the end of May 2009, and 42 have been removed from the register on the basis of information obtained through the disclosure.

The House may be wondering how the system of disclosures is funded. I can advise that the cost is met by the registration fee paid by approved driving instructors, which is £300 for four years. It increased from £200 in April 2008. Disclosures have become an essential part of the process conducted by the registrar to satisfy himself that an approved driving instructor, or someone seeking to join the register, is a fit and proper person. The DSA has publicised those changes, so instructors are aware of them. In 2008-09, 865 approved driving instructors resigned from the register, although that was for a variety of reasons, including ill health. Some approved driving instructors with serious criminal records may decide to leave the profession rather than supply a criminal record disclosure. However, as I indicated earlier, the discovery of a criminal conviction would not automatically mean that the registrar would commence removal proceedings.

Although those non-legislative measures have helped to give us greater confidence that only the most suitable instructors are able to gain access to the register of approved driving instructors and to remain on it, they do not address the problem of the registrar's inability to take immediate and effective action as soon as a major risk to the general public is identified. As the hon. Member for Dunfermline and West Fife has identified,

[Paul Clark]

the 45-day removal process, during which the approved driving instructor can continue to instruct, is a significant problem. If the Bill is successful, it will address that issue by allowing the registrar, while the statutory removal process is under way, to suspend an approved driving instructor immediately he presents a significant risk to the public.

Although the main focus of the Bill is, by necessity, on those convicted of serious sexual or violent offences, we do not wish to preclude other circumstances in which an instructor poses a significant risk to the general public and suspension is appropriate. For that reason, I should expect the suspension power to be used in cases where the approved driving instructor is found in a periodic-check test to have given woefully inadequate instruction to learner drivers—that is, when the instruction is so poor as to create a serious road safety risk to his pupils and other road users. I remind the House that suspension can be imposed only alongside other statutory processes. Suspension cannot be used in isolation; its purpose is to prevent an instructor from continuing to give paid instruction pending the completion of a separate but linked process.

I should also like to reassure the House that the suspension power would be used only infrequently. The Driving Standards Agency estimates that, in an average year, the power would be used on no more than five occasions, and Members should note that there are about 45,000 approved driving instructors on the register. On that point, I also remind the House that the overwhelming majority of approved driving instructors remain fit and proper persons throughout their careers and perform a valuable role in preparing our young people for driving safely.

Hon. Members may have concerns about granting the registrar the power effectively to deprive an approved driving instructor of his livelihood. The hon. Member for Canterbury made that point, and I regard such concerns as reasonable. We would not wish to support a Bill that resulted in approved driving instructors being suspended solely on the basis of allegations or rumours, which sometimes happens in other professions. Indeed, my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty) raised that concern in Committee. There needs to be a balance to the suspension power, so that an instructor is suspended only when a clear need has been identified. In connection with that, I agreed in Committee that the registrar will publish details of the circumstances in which he will consider using the suspension power. That should provide further reassurance to the House that the power will be used sparingly and judiciously.

The balance is achieved by including a compensation scheme in the Bill. The scheme will cover an instructor who is suspended but not subsequently removed from the register, or whose removal is reversed on appeal. It will also apply in circumstances when a trainee is suspended but his licence is not subsequently revoked, or whose licence revocation is overturned on appeal. The compensation scheme will be introduced by regulation. It is important to do that by regulation, rather than in the Bill, because the regulation-making power will allow the Secretary of State to tailor the precise nature of the compensation scheme to the circumstances applicable at the time. However, the Bill explicitly states that the Secretary of State "must" introduce a compensation scheme, and it is important that the provision of a compensation scheme be a mandatory requirement, rather than a discretionary provision, as it provides balance—to which hon. Members have referred—for the suspension power. It will not be possible for the registrar to use the suspension power unless there is a compensation scheme in place.

The compensation scheme will extend to all the circumstances in which an approved driving instructor may be suspended and in which a trainee licence may be revoked or suspended. Eligible applicants for compensation will be able to claim for two distinct categories of loss, and the likelihood is that a suspended person will have suffered income loss. Let us assume that he has been suspended for two months. He will not have received two months' income and, if driving instruction is his main source of income, he may be significantly out of pocket.

There are also non-income losses, such as damage to the goodwill of the instructor's business, as many driving instructors are self-employed. The circumstances resulting in the use of the suspension power may seriously affect an individual's business, and in those cases it is right that compensation be payable for such damage. The suspended person may also have incurred additional costs as a result of having had to take out a loan to purchase essential items during the suspension period.

In addition, the Bill allows for the inclusion of

"any other matters which relate to such a suspension and are provided for in the scheme".

That provides for the flexibility to adapt the compensation arrangements in the light of experience, but I remind the House that we will be dealing with a very small number of cases of suspension and potential compensation each year.

Inevitably, there might be disputes about the amount of compensation granted or whether any compensation should have been granted at all. In those circumstances it is important that there is an appeals mechanism and, indeed, that an independent third party be the arbiter. That role will be filled by the first-tier tribunal. There is a right of appeal in respect of most of the registrar's decisions on whether someone should be admitted to the approved driving instructor register, or on whether an application for re-registration should be granted.

However, there is no such provision in respect of the registrar's decision to suspend someone. Should an instructor who is suspended be able to appeal that decision of the registrar? We have considered the matter carefully and concluded that the answer must be no, as such a provision would be counter-productive. The registrar's intent when suspending someone is to prevent them immediately from being able to continue to give paid tuition, because they present a significant risk to the general public. Introducing an appeal arrangement would simply negate that purpose.

However, the instructor would retain the right of appeal to the first-tier tribunal in respect of the registrar's decision to which the suspension was linked—for example, the removal of the approved driving instructor's name from the register or the revocation of their licence. We must not lose sight of the main purpose of the Bill: to protect the victims, whom we all recognise from the case of Lesley Anne Steele.

I said at the outset that I would need to return to the Road Safety Act 2006, as we need to amend some of its provisions if the suspension power is to be fully effective. As I have explained, under provisions in the Road Traffic Act 1988, partially qualified instructors may apply for a trainee licence issued by the registrar of approved driving instructors, but the provisions underpinning those arrangements will be repealed once the 2006 Act is fully commenced.

One significant change relates to trainee instructors. The 2006 Act replaces the trainee licence scheme provisions with those that support a system of exemptions from the requirement to be registered. That could be used to exempt particular groups of instructors from the requirement to be registered—for example, the police, who already enjoy a class exemption so that they can give instruction within the police force. Unfortunately, it would be very difficult to introduce an effective suspension scheme unless individuals were required to identify themselves before accessing an exemption and the registrar were able to make a judgment about whether they were fit and proper. Without that, the effectiveness of any suspension provision would be severely constrained.

To address that problem, the Bill amends the 1988 Act to retain a role for the registrar in supervising access to any exemptions once the 2006 Act is fully commenced. In addition, the Bill makes amendments so that the registrar may charge a fee in connection with applications for the granting of exemptions. That goes some way to replacing the 1988 Act's trainee licence fee-charging provision, which the 2006 Act will repeal. That in turn is why we debated the Ways and Means motion on Monday evening, and I am grateful to the House for having approved it so that the Bill could be properly considered in Committee. The Bill is important and goes a long way towards making sure that a loophole in the current legislation is closed. It has come about thanks to the hard work and tenacity of the hon. Member for Dunfermline and West Fife.

The hon. Member for North Southwark and Bermondsey raised the issue of numbers. I say to him that there is no power to restrict the numbers on the register. There is no artificial level at which we cap; basically, commercial decisions drive the number of instructors. The evidence that we have is that there is no current shortage of approved driving instructors.

Simon Hughes: What about Northern Ireland?

Paul Clark: I will come to Northern Ireland, although I wanted to leave it to the very end. Since the hon. Gentleman has pressed me, I shall tell him now that the Bill does not cover Northern Ireland because it involves a devolved matter. It is as simple as that.

The Bill strikes the right balance between the need to protect the public and the rights of individuals to go about their business and earn a living. It allows the registrar of approved driving instructors immediately to suspend those who pose a danger to the public and thereby prevents them from continuing to give paid instruction, but it also contains provisions that will safeguard instructors, and those seeking to become instructors, from improper use of the suspension powers.

The Bill has received generous cross-party support and I hope that that will continue to be the case; I have no doubt that it will be. It addresses a genuine public concern in a proportionate and effective manner, and my congratulations go to the hon. Member for Dunfermline and West Fife. I look forward to monitoring the Bill's progress and to seeing it become an Act.

11.22 am

Willie Rennie: I thank Members across the Chamber for their supportive comments. My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) was very supportive, as were the hon. Members for Canterbury (Mr. Brazier) and for Brent, North (Barry Gardiner). I also thank the Minister. He was effusive in his support and praise of the Bill for a whole 45 minutes; I did not know that he liked it that much. I am grateful for that extensive support, as are the other Members in the Chamber.

I should like to summarise the Bill again. It gives the power to suspend and closes the 45-day loophole. It stipulates a limit of 75 days' suspension, beyond which the Driving Standards Agency cannot go. It covers trainees and approved driving instructors, so it is comprehensive. Furthermore, it covers only the most serious cases: only those instructors who are already on the path to removal. It has not gone beyond that, so any scurrilous allegations about the character of individuals can be avoided. There is a defined process that has already been tried and tested, and we will not go beyond that.

If the House gives its support this morning, I shall entrust the Bill to my old boss, Lord Tyler of Linkinhorne, in another place. I am sure that Members there will see the merits of the Bill, but if they do not I am sure that they will succumb to Lord Tyler's charm. I hope that the Bill will go through all the stages in the Lords. It is a good Bill, not only for the House but for approved driving instructors and trainees. It is also good for those, young and old, who are learning to drive.

I see that the Minister at the Department for Environment, Food and Rural Affairs, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), is in his place. He gave me great advice and support at a time when I had almost given up. I had almost succumbed to the drudgery of the private Member's Bill process but he teed me up and got me going again. I am grateful to him for his wise counsel and support in making sure that the Bill has progressed to this stage.

Finally, I pay tribute to Lesley Anne Steele. She has provided a great service. It was tough for her to put her name into the public domain and to be talked about so extensively this morning; I am sure that she wishes to forget about it all now. She has put her name out and campaigned for change. She saw the injustice and was determined that nobody else would be subjected to what she was subjected to. I am grateful to Lesley Anne; this should be called "Lesley Anne's Bill". She is a great person, and pretty steely—Steele by name and steely by nature. I am grateful for her support and I hope that her Bill receives the support of the House this morning.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Leaseholders' Rights Bill

Second Reading

11.25 am

Mrs. Jacqui Lait (Beckenham) (Con): I beg to move, That the Bill be now read a Second time.

I start by declaring an interest. I am a private sector leaseholder and a director of the management company of the block of flats in which I live. I used to be chairman, but resigned because of a potential conflict of interest due to a planning application from the block next door.

I congratulate the two Members who have got their Bills through to Third Reading today; I hope that they will see their names in lights. After 17 years in this place, this is my second private Member's Bill, and it stands about as much chance of getting through as the first one did. That first one was about a similar subject; it was about commonhold and leasehold issues before 1997. This Bill, however, is much more concentrated on public sector leaseholders. I say here and now that I am conscious that the Bill is defective; should a miracle happen and it get into Committee, I will be only too happy to correct it. There is an implication that the Bill applies to private sector leaseholders. My concentration and interest today is on public sector leaseholders, and I would seek to correct the mistake, to which I freely admit, in Committee.

I thank those who have helped with the Bill. I start with the hon. Member for North Southwark and Bermondsey (Simon Hughes). Frankly, I lifted most of my Bill from his Bill of last year. At that time, I pointed out from the Front Bench the same defects in his Bill for which I have just apologised in mine. He and I have long had a concern about the rights of public sector leaseholders and the unfairnesses that they face. I hope that, for once, we are in step together because we have to right the wrong that public sector leaseholders face.

I thank the many groups of public sector leaseholders that have briefed me extensively on their difficulties. I am thinking of leaseholders from Westminster, Camden, Islington and Orbit South, which has been transferred out of Bexley housing department. Part of the reason why I am interested in this subject is that I, too, have public sector leaseholders in my constituency of Beckenham. I have long sung the praises of the housing association, Broomleigh. However, the association and I have crossed swords over many years on the issue of public sector leaseholders. I think that it is beginning to get things right; it is certainly not as backward as some of the other registered social landlords that we are having to deal with. I also thank the Clerks and the Library for their help in preparing the Bill. I am grateful to everybody who has contributed to the Bill.

Simon Hughes (North Southwark and Bermondsey) (LD): I want to put on the record how supportive the hon. Lady was last year when my private Member's Bill was trying to make progress. I fully support this Bill and want it to make progress, because it is hugely important to thousands of people. Depending on how long the debate goes on, I may have to disappear for a little while to carry out constituency duties, as I hope the hon. Lady will understand. However, I will be back. She has my commitment that I will be there today and any other day before the end of this Session when she needs me.

Mrs. Lait: I am most grateful to the hon. Gentleman. I promise that I am not planning to speak until he gets back—that would be totally unfair and would certainly take credit away from the Under-Secretary of State for Transport, the hon. Member for Gillingham (Paul Clark), for his marathon. I hope that we will still be discussing the matter, because I know that the hon. Gentleman has serious experience and expertise to contribute to the debate.

As I said, I have been aware of leaseholders' problems for many years. In my original constituency of Hastings and Rye, we dealt with the difficulties that private sector leaseholders had. Over the years, we have managed to give them the right to consultation and to get their own quotes for works. Although the system is by no means perfect, private sector leaseholders, if they have the will to do so, can manage their own blocks and properties properly and to their benefit. However, that is not true in the public sector.

When I talked to my predecessor as MP for Beckenham, he briefed me about the difficulties of his public sector leaseholders, who have become my public sector leaseholders. As I have said, Broomleigh, the local large registered social landlord that took over Bromley's council housing, took over some public sector leaseholders with it. Practically the first thing that I had to do as the MP for Beckenham was try to sort out the difficulties that those leaseholders were having, such as enforced contractors, a lack of consultation on the repairs that had to be done and very little option in the repayment of substantial sums. Many people felt that they had no input into their contracts and that they were badly managed.

Broomleigh is a very good housing association and picked up on those problems. It created a leaseholder unit and started to put in place the procedures that I wish to introduce under the Bill. The issue then died away, however, and the leaseholder unit was disbanded. There was then another problem, about bay windows in blocks of flats. It reignited all the problems about the lack of consultation, the lack of the right to bring forward other contracts, and leaseholders having no control over costs and little control over payment, with huge bills and demands for instant payment. I am glad to say that Broomleigh then resuscitated the leaseholder unit. Although people were still unhappy and there were flaws in the process, we are beginning to see a much more sophisticated understanding from Broomleigh of how to manage a block of mixed tenure, where there are public sector leaseholders who react differently from tenants when faced with repairs.

However, that best practice—at least, it is getting towards best practice—has not been copied by many councils or by other RSLs. My Bill would give public sector leaseholders the right to consultation, to get quotes from other contractors for work that needs to be done and to have a wide variety of repayment methods to ensure that bills are paid. Public sector leaseholders recognise that their properties have to be maintained, so there is the will to contribute to maintenance and repairs. What particularly irritates them is that they are unable to contribute to the process by which those repairs are carried out. They have no right to monitor

whether they are carried out well, and demands for money come without a by-your-leave. They can see how inefficiently many contracts are managed.

Over the years, because of my interest in the matter, I have had contact with a wide variety of public sector leaseholder organisations. There was one meeting, probably the largest public meeting that I can remember, with public sector leaseholders in Tower Hamlets. They were incandescent with rage about how the council was dealing with their leases. Since I published the Bill, I have been contacted by leaseholders in Camden, Westminster and Islington. I have notified the hon. Members for Islington, South and Finsbury (Emily Thornberry) and for Regent's Park and Kensington, North (Ms Buck) about the Bill and the fact that I would be mentioning leaseholders in their constituencies. I know that both have worked hard on behalf of public sector leaseholders.

What has caused more difficulties than anything else is the sheer size of the bills that public sector leaseholders are asked to contribute to. Not all, but a lot, of the work has been driven by the decent homes standard. None of us would say that it was wrong to bring that in, but the problem is that most RSLs—I use that term to include both councils and housing associations, because we will be here even longer if I have to explain that each time—treat public sector leaseholders as though they were tenants. They also overload bills with management costs and a whole variety of other expenses that they think they can get away with.

Barry Gardiner (Brent, North) (Lab): I pay tribute to the hon. Lady not simply for introducing the Bill but for her work over many years. I remember working with her on the Commonhold and Leasehold Reform Act 2002—we have been round these houses many times before.

I wish to highlight the point that the hon. Lady has just made. The problem is not simply that RSLs often treat leaseholders in the same way as tenants. In one particular way, they treat them very differently. As she said, that is in loading their service charges while providing no explanation of how those charges are broken down between the rental and leasehold income that they receive. I am sure that she could adumbrate that point with many cases, but it is an important one to make.

Mrs. Lait: I am most grateful to the hon. Gentleman, and I agree entirely. In fact, in due course I shall mention a letter that I have received from somebody who not only found themselves in that position but has been told how much they are paying compared with other tenants, which is way out of kilter. The hon. Gentleman and I are at one on this issue, and anyone who understands the problem knows that this is a cross-party issue, because it is the same wherever it happens.

Some people may remember that earlier this year, an elderly lady from Ramsgate aged 91 received just before she died a £16,000 bill for work on her flat to meet carbon dioxide emissions standards, and she had to take out a mortgage. That was, to say the least, insensitive. Leaseholders are simply told how much they have to pay. We have all worked very hard for people in the private sector, who in contrast are consulted and have the right to get their own quotes and pay in different ways, and whose management charges relate only to works to be done.

As a slight digression, I add that most of the problems arise from the original legislation that we passed in the '80s giving people the right to buy. At the time I was not in the House, but I suspect that the thought was that the public sector would behave in the same way as the private sector. Sadly, all these years later that is not what has happened.

Simon Hughes: I was around at the time, just about, and I remember that people were given bad advice. The mood was in favour of buying. Children told their parents "Go on, buy your flat, it would be good." However, no one looked at the small print, which said that people would have to pay not just for things connected directly with their flats, but for the district heating system and the gardens. Suddenly they were facing bills that were much bigger than they had ever contemplated.

Mrs. Lait: The hon. Gentleman is quite right. I suspect that when the legislation was written, there was no conspiracy, but this was simply one of its unintended consequences. I could wax large about the problem, and indeed would be happy to introduce another Bill in an attempt to deal with it, but I thought that if I kept it short and sweet, we might be able to get somewhere with this particular issue. If we can give public sector leaseholders the right to consultation, we shall be able to dig down into what the charges are and how they relate to their properties.

One of the groups that contacted me is the Islington Leaseholders Association. I received 40-odd letters from its members. Vicki Leonard, who lives in N1, wrote:

"Leaseholders do not have to be consulted on any works…That was annoying enough in itself but more annoying is the astronomical cost of everything they do".

That basically constitutes inefficiency. I received a long and detailed letter from a gentleman called Douglas Cape, who wrote:

"At the first public meeting…the Project Officer…said he was only there to talk about the new window design. When it was pointed out to him that his own invite to the meeting…said 'You will have the opportunity of asking any questions regarding the contract' he refused to acknowledge his own letter and said he still could not answer any questions."

It is disingenuous, to say the least, of RSLs to say that they are consulting in such circumstances.

What was said in those letters was echoed in many others from, for instance, members of the Association of Camden Council Leaseholders and the Churchill Gardens lessees association. I am hugely grateful for the time that they spent briefing me on their problems. Another member of the Islington association raised the issue of the sums that are charged, and the fact that it is not possible to obtain alternative quotes. Geoff Shirley wrote:

"I and other leaseholders…have been informed by HFI that to replace our windows, 2 bedroom units will be charged £8K-£9K.

Considering the fact that only one main contractor has tendered for this work is outrageous. How does HFI justify that sole price when they have no other comparison price."

Public sector leaseholders should not be faced with such sums when they are unable to wield any influence.

The position is made worse by the current agreements between RSLs and single suppliers of maintenance. The Government have been pushing that arrangement for understandable reasons: it is often more efficient for a

[Mrs. Lait]

contract to be let over the long term and for a single contractor to do maintenance work on an estate. However, in the event of a large replacement programme, the contracts with the sole suppliers do not allow competitive tendering. It is not beyond the wit of man, or the lawyers, to write a contract making it clear that it relates entirely to routine maintenance, and to specify that when there are larger contracts to be let, competitive tenders will be required. That would allow public sector leaseholders to bring their own contractors in.

Another problem is that large public sector organisations often have a list of preferred suppliers. While that reassures such organisations that the standards on which they insist will be met, it also constitutes a closed shop, and does not allow public sector leaseholders to bring in new contractors who might do the job as well as, if not better than, those on the public sector list. I want public sector leaseholders to have that option. I do not want to become involved in a great political debate about whether it is a good idea—

Barry Gardiner *rose—*

Mrs. Lait: But I am happy to give way to the hon. Gentleman, who is about to turn this into a political debate.

Barry Gardiner: Absolutely not. I entirely agree with the hon. Lady that both private and public sector leaseholders should have the right to consultation and the opportunity to propose alternative contractors. That has been common ground between us for many years. However, I should like to know why she believes that section 151 of the Commonhold and Leasehold Reform Act 2002, which amends section 20 of the Landlord and Tenant Act 1985, does not provide adequate remedies for public sector leaseholders.

Mrs. Lait: One of the problems of discussing leasehold is that we become involved in hugely complex and technical detail. My understanding, however, is that the Government have their own problems with the 2002 Act. Implementing it has not been as easy as writing it. I am merely trying to encourage the Government to do what they wanted to do in that Act. It must be plain that I am in consensual rather than opposition mode today. The hon. Member for Brent, North (Barry Gardiner) and I are in agreement: we both want to improve the position of public sector leaseholders.

Another problem that causes many people grief is the inefficiency of the contracts when they are let. I referred earlier to a very sweet and sad letter that I had received. Jean Harwood wrote:

"My big immediate problem is time. Originally HFL... told us all work had to be completed by 2008. I cut my holiday short as a result but nothing happened. Then January 2009 was given to start erecting scaffolding. Still nothing. However, they did start on the first block on March 2nd. It took 5 weeks to completely erect that. Incidentally, we were told they would erect two blocks at a time. The second block was started April 27th and the third block May 5th. I'm also informed that when this block is finished the fourth block will be done (that is where I live). To date NO windows have been replaced. I was assured by HFL that they would start work as soon as the scaffolding went up and would be down within 2 weeks on completion."

That is not an unusual tale for such contracts.

Martin Kneidinger wrote to me about

"Very expensive charges compared to the work delivered and the time it took to finish. (More than a year!) Finished work is very poor quality and would not be acceptable on any private site in London I have been working on as an architect

We chose the 2 year interest free payment plan and to do that we had to start paying our bills before work was finished. Nowhere near finished to be more specific."

Those issues come up time and again. Here is a quick example from Karen Neale, who writes about

"these grossly inflated...piecemeal and inaccurate estimates".

I could go on endlessly, but hon. Members will be grateful that I shall not.

Something else that has emerged—this has happened more recently—is that management costs on such contracts have escalated dramatically. Again, however, leaseholders have no control over them. I am grateful to Dr. Peter Wright of Camden for a couple of examples. For one contract for lighting maintenance, he has worked out that

"40.24 per cent. of the costs are due to management costs; leaseholders will pay 10 per cent. administration...on top".

Therefore, 50 per cent. of the costs of that contract went on administration and management. It is beyond belief. Nobody in the private sector would dream of charging that.

In response to another contract, the Churchill Gardens Lessees Association wrote:

"We do not consider the costs of the bids to be excessive. However, we do have concerns about add-ons of 40 per cent. totalling £460,000 on the contract price."

The association continued:

"What is the 3.8 per cent. contractor's overhead contingency for? If the tender preparation is outsourced, where is the corresponding saving in fees? Why is the contractor not responsible for his own safety audit? Where is the £24,700 fee for plans—

£24,700 for plans?—

"going? Why is a separate asbestos survey needed? The Estate has been so surveyed many times previously."

I could go on. Some of the costs being dumped on public sector leaseholders are outrageous.

Then there are the experiences of the leaseholders of Orbit South, who have recently been transferred from Bexley. My hon. Friend on the Front Bench, the hon. Member for Bromley and Chislehurst (Robert Neill), who used to be the member of the Greater London authority for Bexley and Bromley, will be well aware of the problems of the leaseholders of Orbit South. They have been in touch with me because Orbit South has taken exactly the same approach to them. Those leaseholders are challenging their monthly management costs, which increased from £75 a month in 2003-04 to £116 a month this financial year, and will potentially be £140 a month next year. Even in the private sector, the management charges in my block—it is a rather pleasant block, as everybody will have seen recently in *The Daily Telegraph*—are not that size. It is unbelievable that management costs should be so much and that the leaseholders should have no redress or ability to negotiate.

Robert Neill (Bromley and Chislehurst) (Con): I thank my hon. Friend for giving way and for her plug for my past existence. I, too, have Broomleigh leaseholders in my constituency, although we tend to pronounce it "Bromley" at our end of the borough. In any event,

does she agree that one of the issues that people feel strongly about is the fact that tenants and leaseholders in the situation that she has described are at a significant disadvantage? When we are seeking to encourage, for example, the growth of mixed communities, it seems strange that, as things stand, private sector tenants have at least some leverage against their management companies, whereas public sector tenants do not have the same leverage when they are confronted with bills from what can sometimes be monopoly suppliers, even in the case of fairly enlightened housing associations and registered social landlords such as Broomleigh.

Mrs. Lait: I could not agree more with my hon. Friend. He draws a clear contrast between the treatment of people in the public sector and the treatment of those in the private sector, however enlightened a housing association or council is. While acknowledging the defects of the Bill, I hope very much that he will support the principle, so that we can move forward in finding a remedy to the injustice that has emerged. That injustice is an example of the law of unintended consequences, but we need to deal with it.

The difficulty is that councils and RSLs are used to telling tenants what to do. They have difficulty in getting into the mindset of people who have bought, and that comes from a different way of thinking. I am lauding neither one nor the other, but we have to recognise that the difference exists and that RSLs need to work much harder to deal with their leaseholders to provide the kind of service that they are giving to their tenants. That is all that we are asking: that leaseholders should have the same ability to manage their environment as RSLs think that they are giving to their tenants.

Barry Gardiner: Does it surprise the hon. Lady to hear of a situation concerning the Stadium housing association in my constituency? It relates to the leaseholders in Airco close, who were billed for an equal sum for their water bills despite the fact that each of the flats had a water meter. When the housing association was challenged about this, it simply informed the leaseholders that, because there was a common tank, they would each have to pay the same amount. I have taken the trouble to point out to it that, under Ofwat regulations, if a meter is fitted, it is illegal to charge on any basis other than that of metered usage. This exemplifies the way in which RSLs tend to treat leaseholders by telling them what to do, with the implication that if they do not like it, they can lump it.

Mrs. Lait: I sometimes wish that the ingenuity that goes into dreaming up these spurious charges was applied to working with leaseholders to ensure that they got a better service. I share the hon. Gentleman's horror and disgust at such behaviour. If this debate—let alone the Bill—does nothing else but draw RSLs' attention to the bad behaviour that they show to the people who live on their estates, we will at least have achieved something, if not much else.

I recognise that it can be difficult, particularly when there is mixed tenure, for RSLs to bring in the kind of thinking and techniques required to work with public sector leaseholders. However, given my illustrations of how badly managed so many contracts are, the RSLs could probably save themselves a huge amount of money by employing properly managed contractors and taking on board the arguments and points put to them by their leaseholders.

I have spent half an hour talking about clause 1. Clause 2 is much shorter, and it basically encourages the Government to consult on policies that affect leaseholders before they promulgate them. After all, this Government have said that they wish to consult, and they produce endless consultation documents. Many of their policies affect leaseholders, yet the basic rules of consultation do not appear to have been observed for them.

A document called the Sedley rules—which I confess I had not come across before—sets out four requirements for lawful consultation. The first is that

"consultation must be at a time when proposals are still at a formative stage."

This means that a decision maker cannot wait until they have identified a definite solution. They must embark on the consultation process while being prepared to change course if persuaded to do so. They cannot make a decision in principle and then consult. Nor can they start by excluding an option and then denying any real opportunity to present a case on it.

The second is that

"the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response."

The reasons given should be the true reasons. Consultees should be told the criteria that are intended to be adopted. The third is that

"adequate time must be given for consideration and response."

The fourth is that

"the product of the consultation must be conscientiously taken into account in finalising any statutory proposals."

I was interested to find out what had happened to the Tenant Services Authority, because I was pointed towards the issue by my very good consultees, who asked me to table a parliamentary question. I did so, and I do not declare any interest whatever; I did it because I am interested in the subject. My concern was that the Tenant Services Authority had no responsibility whatever toward public sector leaseholders, so I tabled a question and the reply was:

"The Tenant Services Authority has no responsibilities in respect of leaseholders who own 100 per cent. of the interest in their homes. Leaseholders already have access to a wide range of protections and rights."

We wish! It continued:

"The Housing and Regeneration Act 2008 limits the Tenant Services Authority's future regulatory remit to 'social housing', which includes low cost rental and low cost home ownership accommodation"—[*Official Report*, 25 March 2009; Vol. 490, c. 492W.]

under the Act. Quite apart from anything else, that clearly means that public sector leaseholders were not consulted on that legislation. Their rights are not only ignored by the RSLs; they are being overridden by Government—not, I am sure, in any way malignly, but through just not thinking.

That is why clause 2, which I also took from the earlier Bill of the hon. Member for North Southwark and Bermondsey, is an important part of the Bill. If we are dealing with a group of people who find themselves in a position of almost exclusion, the best thing we can

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do to help them become part of the wider community is to ensure that they are consulted and involved at all levels.

Public sector leaseholders, as I hope I have made very clear over the last half hour, have huge disadvantages in their dealings with their landlords. My Bill does not sort the whole problem out; I make no claim for that, as a much bigger legislative job would be necessary. Nevertheless, by giving those leaseholders the right to consultation, the right to receive quotes and the right to a variety of forms of paying back their bills, the Bill will take a small step to mitigate the anger and alienation they feel and their regret at becoming public sector leaseholders. I very much hope that the Government will give the Bill as fair a wind as possible at this stage of the legislative cycle—at the very least by indicating that they understand the problem and plan to do something about it.

12.3 pm

Mr. Andrew Dismore (Hendon) (Lab): I congratulate the hon. Member for Beckenham (Mrs. Lait) on securing a place in the ballot and on introducing the Bill. The regularity with which Bills on leasehold reform turn up—whether it be from the hon. Lady or from my hon. Friend the Member for Brent, North (Barry Gardiner), who is a regular on this issue, or from others—shows the importance of the issue and demonstrates that something must be done. I declare an interest in that I am a leaseholder and I am facing the possibility of a rather large bill coming up in the not-too-distant future, although we will not be particularly affected because proper consultation is taking place.

I am minded to support the hon. Lady's Bill, subject to what my right hon. Friend the Minister might say. I hope to speak at less length than the promoter did, which would probably be a record for me on a Friday, but there are a few points that I would like to raise.

My initial impression on reading the Bill through was that it was entirely about the private sector, not the social sector. I thought of intervening to ask how the hon. Lady envisaged her Bill applying to registered social landlords, as it appeared to me that the Bill did not deal with them. It seems to deal almost perfectly with the private sector and existing protections, but it is difficult to see how it fits together with problems experienced in the public sector.

The hon. Lady's point about mixed tenure is particularly important. In my constituency, problems have arisen primarily in housing estates where some people have bought their homes while others are still tenants. We need to think about how to deal with the difference between the two. As my hon. Friend the Member for Brent, North said in an intervention, problems occur when leaseholders feel that they are being loaded with bills that really belong to the housing revenue account and tenancy side. Sometimes it can be the other way round. That issue must be dealt with at some stage.

There is a further problem where the landlord—in this case, the council, or in my area, the arm's length management organisation—has entered into a long-term agreement with one contractor. At present, we are in the middle of an £88.5 million decent homes initiative improvement project, the contract for which has been awarded to Balfour Beatty. A lot of problems have arisen as a result of that. One of the key questions leaseholders will always ask is whether they will get value for money from cosy arrangements—the term "sweetheart deals" crossed my mind, but that might be going too far—between the contractor and the arm's length management organisation.

The Bill also fails to deal with major works contracts that may be sufficiently large to require a public notice under the EU procurement rules and advertising in the EU journal. In such instances, a problem arises about how people can get involved in the consultation process and, more importantly, how leaseholders might be allowed to put forward alternative proposals when it is necessary to go through that tendering process required under EU regulations. That issue must be addressed in this process.

The Department for Communities and Local Government has done some research on this issue. In 2006, it was recommended that the Department should provide

"further guidance on the standards of works to be carried out in flatted accommodation and...clarify the position in relation to the decent homes standard".

I shall cite an example of that important point shortly. It was also recommended that the Department should

"provide further guidance in relation to defining hardship".

One issue that confronts leaseholders in social housing arrangements is that they can face big bills that they did not expect to have to pay when they originally bought the property, whether under the right to buy or otherwise. I was a councillor in Westminster in the 1980s when right to buy was introduced, and I remember warning people who bought flats in badly neglected blocks that they would face enormous bills in the future. Many people did not think that that would happen to them; they believed that Lady Porter would look after them, but she looked after them in a rather different way, as we all know. I shall not go into the details of that, other than to mention the "homes for votes" scandal. Part of that scandal was the fact that leaseholders were asked to buy flats—including in my ward—in tower blocks, and were then faced with enormous bills.

One problem was that purchasers went ahead without having their eyes open to the possibility of bills. Matters have improved somewhat, and I understand that leaseholders purchasing under the right to buy now have to be given a five-year estimate of possible future costs, but what happens beyond that five-year period? Unfortunately, many elderly tenants thought the right to buy was their way of providing a little nest egg for their children, but they then found that the circumstances were rather different when, as pensioners, they were faced with bills for many thousands of pounds.

Mrs. Lait: I have cases where people have bought a property after having done all the searches and were then told that they have a five-year bill to pay.

Mr. Dismore: That clearly should not happen.

The social sector leaseholders working party was reconstituted by the Government in 2005 and reported two years ago. It recommended the introduction of separate legislation for social sector leaseholders because of the increasing complexity of social sector leasehold

management as a result of the various rules and regulations relating to the arrangements. The statutory consultation process under section 20 of the Landlord and Tenant Act 1985 did not really suit the arrangements often found in respect of social landlords, particularly the way that ALMOs, local authorities or housing associations have to go through particular arrangements laid down by the Government.

I wish to refer to a couple of cases from my constituency in order to illustrate the problem. One of them concerns Woodburn close, whose tenants wrote to me in April saying that for several months they had heard nothing from their ALMO, Barnet Homes, but that then in a short space of time they received letters informing them of a planning application that was being submitted. Those letters did not, however, detail the estimates and so forth for the work. The Woodburn close tenants go on to say:

"Despite previous requests none of the lessees have received quotes as to the cost of the works…It appears as if Barnet Homes have made a decision and are steam rolling it through, without due consideration to the lessees who have to pay."

Then there was a public meeting. The letter continues:

"the initial letters were in respect of the windows, and it was not until the public meeting that Barnet Homes declared their intention to replace the aerial system at this time, and clean out the gutters".

The tenants make the point that digital switchover was not for another three years, and that estimates of the cost of the work had not been received. The letter continues:

"we have to question the necessity of doing"

this work

"as there is a Sky system which does not require scaffolding."

That system could have been installed at a cost of between £150 to £200 per home. The tenants complain that

"Barnet Homes have carried out this exercise without due consideration of the lessees issues".

Barnet Homes wrote back to me saying that the

"design and details of the scheme have now been finalised",

and it anticipated consulting tenants within the next two to three weeks by letter, with a breakdown of the proposed costs. That was on 11 May. It has not happened yet, so far as I can see. Again, Barnet Homes completely ignored the leaseholders' alternative suggestion regarding the TV aerial. It simply bulldozed through, saying, "This is what we're going to do."

I received a letter from the tenants expressing continuing concern,

"as it appears they"

—Barnet Homes—

"are likely to provide the lessees with a range of quotes and that everything has already been decided. This includes the comment in respect of the digital switchover, which does not acknowledge there may be cheaper alternative systems that provide the same service."

The windows replacement is being done under the decent homes initiative. The letter continues:

"It appears that they are wedded to single suppliers and are not giving the lessees full opportunity to comment as part of this consultation."

Barnet Homes wrote back to me saying that the scheme is part of the decent homes initiative,

"which is being carried out under a five year Partnering Agreement with Balfour Beatty…The framework is not a traditional tender contract"

and Balfour Beatty had obtained different quotes, but as far as the leaseholders are concerned, that does not make a great deal of difference. The ALMO says it is not

"wedded to a single supplier",

but in effect, it is.

We should also consider the quality of work—a point made by the hon. Member for Beckenham. There seems to be a general feeling among contractors—big and small—that anyone who lives on a council estate is entitled to second-class service and second-class quality of work. The contractors think they can get away with blue murder, charging top-dollar prices for substandard work. Time and again, I receive complaints about that. Such work might be treated as "snagging", but a lot of it is not. Some of it is quite serious, and whether snagging or serious, this issue is a major irritation to leaseholders—and, indeed, tenants—who have paid through the nose for work that has not been done properly.

A case was brought to me last year concerning major works in Frith court. The lessees told me:

"The rewiring was supposed to be being done, and the trunking has been installed but has not been wired. It is…not clear how it can be wired up and the trunking looks extremely ugly, too."

I saw that for myself. The lessees said that apparently, the windows are being replaced, but that that was not necessary for the flat in question because they had already been replaced before they bought the property. They have been charged £4,500 for renewing the guttering, which has not been done to a decent standard in several of the blocks. The soffit boards have been replaced, as have the common parts windows. The front and rear doors have been painted, but to very poor workmanship, as I again saw for myself. They are expecting a further charge of another £2,000 for rewiring.

Barnet Homes wrote to me saying that it gave section 20 notices the year before, giving a "brief description" of and reasons for the works, with estimated block costs and contributions. If it is admitting to a brief description, that is probably bad enough. It also said that the electricity trunking had been painted to blend in with the wall. Well, it did not look that way to me. It looked appalling, with great chunks of steel-work inside the common parts. I certainly would not put up with that, and I do not see why the tenants should have to. Barnet Homes also said that remedial work had been done to the gutters and snagging items that it had been agreed were to be rectified. It gives the costs involved for the work, which are astronomical. It could be done more cheaply.

The hon. Member for Beckenham has made a really important point about the social sector. Contractors tend to think that they can milk the council and do not realise that it is not the council or the ALMO that pays. They think, "It is public money—we can load up the contract." They do not realise that the money actually comes from the leaseholders and tenants. That is part of the problem. I have given two examples that have recently come to my attention, but time and again tenants and lessees have raised with me their concerns about some of the charges being imposed. Sometimes, the people involved are in the building trade themselves and they say that they could contract for the work far more cheaply, but they are not allowed to do so.

The hon. Lady has hit on an important issue. As she says, the Bill is not perfect and requires considerable

[Mr. Dismore]

amendment, but I am certainly minded to vote for it on Second Reading in the hope that changes can be made in Committee.

12.15 pm

Willie Rennie (Dunfermline and West Fife) (LD): My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) was keen to participate in this debate, but he has had to leave to attend an important constituency engagement. He was a sponsor of the Bill, and was pleased to be here this morning when the hon. Member for Beckenham (Mrs. Lait) introduced the Bill. He is a keen supporter of the Bill mainly because it would shift the balance between overbearing councils or housing associations and leaseholders, who are often left out of the process. It would empower them to have more of a say, and that cannot be a bad thing.

The Bill is not a threat or a challenge: it would just give leaseholders the right to be involved and put forward alternatives. For example, it would give them the right to prepare an alternative proposal, which is innocuous enough. In fact, it could be advantageous by allowing the council to see other options. The Bill would also give leaseholders the right to a ballot on the decision. The right to transparency on the details would not be threatening either, and councils and housing associations should be prepared to be challenged about past work so that they can be sure that they have got value for money. The Bill also proposes a budget to ensure that the bill for works in any one year is not unaffordable.

When we set out national programmes, we often fail to consider leaseholders—the many thousands of people who have bought a house and who should be consulted. It is not threatening to have to engage them in deciding on best practice. Indeed, it could be very constructive. The Bill also includes a low-cost arbitration process.

The pressure from tenants to improve and upgrade houses is immense. I have people coming to my surgeries every week to demand more and more for their houses—rightly, because some of the houses are in poor condition. But that pressure is different for leaseholders, who want to weigh the balance between the effect of spending that money and the cost of it to their own purse. In the narrow sense, tenants do not have that consideration—although of course in the global sense they do. That is why leaseholders need to be fully engaged in the process.

The councils and housing associations are under great pressure to deliver. We politicians hold them to account for what they do on a day-to-day basis, and if they fail to live up to the mark, they can be kicked out in the elections. That pressure to perform often means that leaseholders are overridden—seen as a minor irritant in the way of progress. That is why we need this sensible and reasonable Bill. As I have said, it includes provisions on ballots; transparency; budget limits for one year; low-cost arbitration; and the right to be consulted. It may not deal with every point, but it is not a threat to the Government, councils or housing associations. Rather, they should welcome this contribution and engagement with the process. They should see leaseholders as valued partners, not as threats or irritants. That is why the Liberal Democrats support the Bill.

12.19 pm

Robert Neill (Bromley and Chislehurst) (Con): I am grateful to my hon. Friend the Member for Beckenham (Mrs. Lait) for promoting the Bill, and I congratulate her on doing so. It has enabled us to refer to the work of our local registered social landlord, Broomleigh Housing, and issues that are common to Members with constituencies across the country.

I was also grateful that my hon. Friend accepted at the outset that the Bill, if it progresses, will need changing in Committee. On the basis that the intention is to limit its application to public sector leaseholders—

Mrs. Lait *indicated assent.*

Robert Neill: I see that my hon. Friend nods to confirm that, and so I think we can give it our "in principle" support, in the expectation that in Committee improvements and refinements can be made to ensure that we address precisely the issues that are at hand.

My hon. Friend struck a very important note about basic justice, which is something that I have come across with my constituents. There is an imbalance of treatment between leaseholders in the private sector and leaseholders in the public sector. I hope that that will weigh compellingly with the Government as they decide their stance on the Bill, given the concessions made by my hon. Friend about amendment in Committee. I cannot believe that the Government, any more than the Opposition, would wish to see leaseholders who happen to be in the public sector being disadvantaged in comparison with those in the private sector. Ironically, they are sometimes disadvantaged in comparison with tenants in the private sector, depending on the attitude of the council and the RSL.

There has been a long history of monopolies sometimes being unresponsive to their tenants, either deliberately or because of a culture that seeps into an organisation. I can remember that attitude from when I was a London borough councillor, back as long ago as when the hon. Member for Hendon (Mr. Dismore) recalled his experiences in Westminster. When I was a parliamentary candidate in Dagenham, the local authority was monolithic in dealing with its tenants. Since then, things have improved there, as they have in many local authorities, but an underlying problem remains. Under the current legislation, the local authority leaseholder, for the reasons set out by my hon. Friend, is at a disadvantage in comparison with others. I think it right that that disadvantage should be addressed.

I agree with the hon. Member for Hendon about the risk posed by contractors sometimes taking advantage of that monopolistic position. That is made worse when the leaseholders are unable to apply the same basic leverage as other tenants would. I hope that for that reason, if for nothing else, the Bill will commend itself to the Government.

I was interested, too, to note the lacuna that seems to exist in relation to the Tenant Services Authority, which I was very interested to find out about. I am not seeking to be unduly party political, but it seems strange that the Government, having created two quangos in place of one to deal with housing, have reached a situation where there seems to be a gap in the available protection. Some people—the public sector leaseholders—fall through

the system and are covered by neither quango. I hope that, although that does not come within the scope of this Bill, we could sensibly address that failing. I have great respect for the Tenant Services Authority, its excellent chairman, Anthony Mayer, who I have known for a number of years, and its team. Clearly, somebody needs to act as a champion for public sector leaseholders and I hope that the Government will look beyond the scope of the Bill and redress that imbalance as a matter of justice.

Let us consider the question of contracts, repairs and so on, and the inevitable pressures, to which my hon. Friend rightly referred, on RSLs, in particular, to seek larger contracts and to bundle them together to seek efficiencies. It is important to try to strike a balance between that and the risk of unfair treatment from a largely monopolistic supplier. Again, that seems to me to be a compelling reason for bringing forward this Bill.

It is surprising that the Government have not so far been willing to move on this matter. I hope the when the Minister for Regional Economic Development and Co-ordination responds, she will take that on board. I was a little disappointed last year to receive an answer to a written question to the then Secretary of State, the right hon. Member for Salford (Hazel Blears), which stated that

> "it will not always be appropriate or helpful to make identical provisions for social sector and private sector leaseholders in order to provide them with similar rights and protections."—[*Official Report*, 13 May 2008; Vol. 473, c. 586W.]

I was surprised to hear that, and even more surprised to hear it at a time when the right hon. Member for Salford was Secretary of State. I would be surprised to hear it from anyone of her party. The wording may have been unfortunate. It is not language that I would like to adopt on behalf of my party, because where we can do so in a proportionate and sensible manner, we ought to try to ensure as level a playing field as we can.

As I say, I hope that we can move to a situation in which one group does not fall through the gaps in the system, particularly given that all parties seem to desire to encourage mixed communities; that is certainly the Government's stance. They want people of different tenure to live side by side. I would not disagree with that. That makes it all the more unfair if, probably not through a deliberate policy, but just as one of those perverse consequences that arise from an omission somewhere in the drafting of legislation, one group of occupiers is in a less advantaged situation than the others. I hope that that, too, is a compelling reason why the Government should at least let the Bill make progress, with a view to seeing what refinements can be made in Committee.

The other points were compellingly made by my hon. Friend the Member for Beckenham, so I do not intend to keep the debate going at any great length. When she responds, I am sure that she will make it clear that the provision on the £12,000 payment is intended to relate to the public-sector leaseholder. In the private sector, there is more negotiating power—power that those in the public sector do not have. With those observations, and the assurance from the promoter of the Bill that she would amend it in Committee, I hope that the House feels that the Bill raises important issues. It is not perfect in its current form, but its proposer does not pretend that it is. It raises issues that need to be addressed, and if it did go forward to Committee, hopefully we could come up with a solution that deals with issues that, on the face of it, potentially lead to injustice and unfairness in the treatment of people. It ought to be possible, with good will, to find a sensible and proportionate means of addressing that.

12.27 pm

Barry Gardiner (Brent, North) (Lab): In many senses, the Bill is a result of the failure of the Commonhold and Leasehold Reform Act 2002. That was flawed in many ways, and I say that as someone who campaigned for five years to get it on the statute book. It was a great day when that was achieved. It was only the third leasehold reform Act since 1887, and it was substantially flawed. That was partly because civil servants had done their usual thing of giving their Minister a "Blue Peter" Bill—one that they had prepared earlier. It had substantially been prepared for the Conservative Government and had not taken account of all the work done in subsequent years by my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) on the subject.

Of course, civil servants were fearful that the 2002 Act would not get through the Lords. In those days, the landed interests of those there were still substantial; civil servants were very fearful that they would fight the Bill for a long period and delay the Government's legislative programme accordingly. For that reason, key elements of the 2002 Act did not work properly. However, it introduced consultation, which was not obligatory before. Critically, it introduced an obligation on landlords to hold moneys in trust. Extraordinarily, that had not previously been a requirement. Of course, it also supposedly made commonhold and enfranchisement easier.

I remember that in my speech on Second Reading of that Bill, I said that even if 5 per cent. of new properties were designated commonhold, I would consider it a tremendous success if that were achieved within 10 years. Sadly, I have been proven right. Nowhere near 5 per cent. of new build is commonhold. I gave a target of 10 per cent. for enfranchisement, and that target, too, has not been met. That shows the fundamental inadequacies of the 2002 Act. I concluded my speech by saying that we would have to revisit the issue in seven or eight years, but what is seven or eight years when leaseholders have been waiting 130?

It is essential that the inadequacies of the original Bill are widely addressed, which would encompass some of the points made by the hon. Member for Beckenham (Mrs. Lait). I always advise people not to buy leasehold unless they also have a share of freehold. It is only with a share of freehold that people get control. The issue of control is precisely what she raised in the Chamber today. People buy their house, thinking that they have finally become homeowners. They therefore think that they have control over their property. The tragedy of leasehold is that they do not. Their landlord has control over the property, all the more so, as she pointed out, in the public sector or with registered social landlords.

I believe the Minister will refer the hon. Lady to section 151 of the 2002 Act, which amended section 20 of the Landlord and Tenant Act 1985, and will say, "You don't understand. Provision for consultation is already made there." If I were the hon. Lady, I would make this response: "To have a right but no means of enforcing that right is to have no right at all."

[Barry Gardiner]

That goes to the heart of the issues that the hon. Lady raised, which all of us across the Chamber recognise from our casework experience. The rights may exist, but either the RSL does not know that it has those obligations, or the leaseholders do not know that they have those rights. Where they do know and try to enforce their rights, they find that there is no mechanism for them to do so.

To have a right but no means of enforcement is to have no right at all. That is why the matter needs to be addressed. My own view is that it probably cannot be addressed by the mechanism of the Bill. The hon. Lady is sufficiently experienced in the House, and I know from her indications to me that she understands that, but today she has provided a very valuable service not only to the House and to the Government, but to leaseholders across the country. The issues must be revisited and addressed. Those rights and the remedies for breaches of those rights must be put firmly back into the hands of leaseholders.

12.33 pm

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): I begin by congratulating the hon. Member for Beckenham (Mrs. Lait) on her success in bringing the Bill before the House. It is obviously an important subject. I thank my hon. Friends the Members for Hendon (Mr. Dismore) and for Brent, North (Barry Gardiner), and the hon. Members for Dunfermline and West Fife (Willie Rennie) and for Bromley and Chislehurst (Robert Neill) for their contributions.

I understand why hon. Members on both sides of House think that the subject is important. We all want to ensure that people live in decent homes, where they can have input into issues that affect them and their communities, particularly when they are asked to contribute directly by paying service charges, as in the case of leaseholders.

I assure the hon. Lady and everyone else who has contributed to the debate that I will look carefully at the points made and discuss them with my right hon. Friend the Minister for Housing. I know that hon. Members feel strongly about this and I hope that I will be able to give them some reassurances. The hon. Lady made it clear that she understood that parts of her Bill were defective.

The Bill's underlying principle is to help leaseholders who are being asked to pay high service charges. In some of my remarks there will obviously be a crossover between private sector and public sector leaseholders although, as I acknowledged, I know that in this Bill the hon. Lady feels most strongly about public sector leaseholders. The Bill seeks to give secure tenants more input with their landlords where national consultations are concerned. As I have said, those are all worthy aims, and I will deal with some of the specifics in more detail later.

All of us recognise and have sympathy with what in some cases are, as many hon. Members have outlined, long-standing and difficult problems that leaseholders face with high service charges. That is clearly a particular difficulty in London, as was obvious from the contributions from London Members. I also agree that there needs to be sufficient and appropriate consultation between landlords and their leaseholders on service charges. I will come on to describe the existing consultation requirements a little later.

We all want to ensure that leaseholders have a fair deal on service charges, and I am aware of the effect that high bills can have on those receiving them. That is why we have tried to put in place a system of safeguards and measures that make people aware of what they are taking on when they buy a property. Both my hon. Friends the Members for Hendon and for Brent, North referred to certain advice that they were always keen to pass on to people entering into leasehold arrangements.

Service charges should be transparent and reasonable, and my Department is working on ways to improve that. We are all aware of leaseholders' important role in, and responsibility for, contributing to the upkeep and maintenance of the common parts of the buildings and communities in which they and other tenants live. That responsibility should be spelt out in the terms of their lease.

It is also important to recognise that local authorities, in particular, are charged with bringing their housing stock up to a decent standard by 2010 and already have wide powers to assist those leaseholders who face difficulties paying their service charges. That assistance can take a number of forms and be tailored to suit individuals' circumstances, which of course can vary considerably.

Leaseholders who pay service charges also have statutory rights that they can exercise where service charges and their property's management are concerned. It would help if I put on the record those rights, the assistance that is available to support leaseholders when they find themselves in difficulties and the improvements that the Government have tried to make so far.

I hope that I shall be able to illustrate that, since the Government came to office, we have shown a commitment to develop the rights and protections that are available to leaseholders, and that we have delivered on that commitment. However, we are of course looking at what more can be done, particularly to reflect some of the points that have been made.

We published a Bill, to which hon. Members have referred, setting out a wide range of proposals for improved leaseholder rights. We consulted widely on the proposals, and the result was the Commonhold and Leasehold Reform Act 2002, which significantly improved on the previous position of leaseholders—although I note hon. Members' reservations today about the Act. The improvements do demonstrate, however, that leaseholder rights have been and remain important to the Government.

Mrs. Lait: As the right hon. Lady moves through her speech, will she differentiate between the rights that are given to private sector leaseholders and public sector leaseholders? The problems that I have raised occurred well before the 2002 Act and have continued since its introduction. The legislation certainly helped with the problems of the private sector leaseholder. If she would differentiate, I would be grateful.

Ms Winterton: I shall certainly make every effort to do so.

On the question that the hon. Member for Bromley and Chislehurst raised, the legislation applies to both public and private sectors, and amendments in the Housing and Regeneration Act 2008 also provide for some flexibility. In particular, it ensures that all leaseholders receive useful and relevant accounting information about the service charges, taking into account the other financial rules to which landlords, such as local authorities, are subject. It is important to state that clarification.

Robert Neill: I am grateful to the Minister for her reference to the concerns about the 2002 Act, and I acknowledge what she says about some of the amendments and the issues that have arisen. Does she also concede that, whatever the good intentions, there is a concern among many within the public leasehold sector that the systems under the 2002 Act have proved bureaucratic and complex? There is a specific concern that the statutory consultation procedures are essentially incompatible with the public sector procurement of services. They do not fit in with some of the requirements in respect of the volatility of the market, the bulk buying of materials and the need to meet European Community requirements, as reflected in the consultation procedures. I hope to be provided with more detail in due course. Whatever the intention, there seems to be a mismatch in practice. That needs to be considered.

Ms Winterton: I would certainly be grateful for any further information that the hon. Gentleman can supply.

I should mention two things. The hon. Member for Beckenham asked about the Tenant Services Authority, and I assure her that we intend to extend its remit. We hope to start consultation on that in July this year and to have regulations in place in April 2010, subject to that consultation. We intend to extend the authority's remit so that local authority social housing is included within its regulatory scope. I could write to her with further details when we start the consultation process.

Mrs. Lait: What the Minister just said was carefully worded. Did she mean that the Tenant Services Authority will also be invited to take into consideration the interests of public sector leaseholders in both council housing and the housing associations?

Ms Winterton: Our proposal is that the Tenant Services Authority should regulate property within the definition of social housing under the 2008 Act. I hope that that clarifies the issue for the hon. Lady. However, I shall certainly write to her with more details about the consultation as it develops.

Mrs. Lait: I am hugely grateful to the Minister for giving way, and obviously I do not want to turn this debate into a dialogue, but a public sector leaseholder who bought their home would not regard themselves as living in social housing. That is the crux of my point.

Ms Winterton: I understand the hon. Lady's point, and I shall write to her with further details. Obviously, there are issues about the overall regulatory burden, and we want to aim the consultation and the new regulations at the most appropriate sector to provide the maximum help. I take into account what she has said and will write to her with further clarification.

The 2002 Act gave leaseholders a far greater say in how the money that they pay in service charges is spent and it improved their right to challenge the amount that they are asked to pay in addition to any rent. Since the introduction in October 2003 of the consultation provisions in the Act, and in regulations made under powers conferred in it, far greater consultation with leaseholders must take place before a landlord can spend service charge monies. That consultation is required before a landlord commits to contracts for works that will require any leaseholder to pay more than £250. Meaningful consultation must also take place before a landlord enters into an agreement for works, or for services of more than 12 months, where the costs to any leaseholder would exceed £100 in any relevant accounting period.

I shall briefly set out what that consultation consists of. The landlord must give notice of their intention to carry out qualifying works. Those are works costing more than £250, or £100 in respect of long-term agreements, in any accounting period. That must be done in writing to leaseholders and to any recognised tenants association. The notice must summarise the proposals, including the reasons why the work is necessary, and seek the views of the leaseholders and associations. The landlord must have regard to any observations that he receives and invite the leaseholder and any associations to nominate suitable contractors.

Barry Gardiner: Can my right hon. Friend elaborate, not for the benefit of the House but for the benefit of leaseholders, on what precisely "must have regard to" means?

Ms Winterton: As I understand it, if there were a challenge the landlord would have to show that he had taken the views of leaseholders into account before proceeding in a way that went against those views. If that is not correct, I will write to my hon. Friend, but I understand that that is usually what happens when the words "have regard to" are inserted in legislation. It is so that in any subsequent challenge, including a judicial review, the onus is on the landlord to show that regard has been taken of the points made by individuals who objected to a proposal.

Barry Gardiner: My right hon. Friend is most courteous in giving way again. I do not wish to press the matter, but it needs to be emphasised that it is easy for a landlord to say, "Yes, we took the objection into account, but we dismissed it. We read it and took on board the fact that the leaseholders wanted a different contractor or a different method of doing something, but it was not the method that we favoured and we thought it better to press ahead." The fundamental question is whose home it is. It is the leaseholder's home, and the problem is that leaseholders who have paid for a property feel that they have rights over it, yet someone else can impose their will on them.

Ms Winterton: I certainly hear what my hon. Friend says, and I understand that there can sometimes be that difficulty of interpretation.

The hon. Member for Beckenham mentioned regulation by the Tenant Services Authority. I am assured that the TSA already regulates RSLs, and that the consultation will be on the extension of regulation to local authorities.

[Ms Rosie Winterton]

In assessing the performance of a local authority or RSL, we would take account of the way in which it managed the relationship with its leaseholders, but we would not seek to regulate the legal relationship between the leaseholder and the freeholder—the local authority or RSL—which is covered by existing statute.

Although in general a landlord must invite the leaseholder and any associations to nominate suitable contractors, there are exceptions. For instance, that does not apply when the works are to be carried out under a long-term agreement that has been subject to full consultation in the past. Leaseholders and any recognised tenants associations have 30 days in which to nominate as many contractors as they wish.

Mr. Dismore: My right hon. Friend has referred to big contracts, which I mentioned earlier. Barnet Homes has an enormous contract across the borough, worth £88.5 million, with Balfour Beatty in connection with the decent homes initiative. As far as I can see there was no consultation, but how on earth could any consultation on a major contract be of any relevance to the people on the receiving end of the small contracts for their block?

Ms Winterton: I understand my hon. Friend's point, and, as I have said, I will consider it. I presume that when a specific project is involved, it may be possible for leaseholders to say that they do not believe that full consultation has taken place in the past, and that they wish to nominate a different contractor. That would lead to consideration of whether the landlord had had regard to the points that had been made, and perhaps to future consultation and regulations. More generally, there is a move to ensure that local government takes account of the way in which contracts are delivered and of procurement practices, and to ensure that smaller local companies—I know that this interests my hon. Friend—can benefit from those practices.

Barry Gardiner: I am grateful to my right hon. Friend for giving way to me again. She will appreciate that in the case of a very large contract such as the one cited by my hon. Friend the Member for Hendon (Mr. Dismore) the contract that specifically affects the leaseholder's block is often a sub-contract, but the main contractor does not have the same obligation as the registered social landlord to consult the leaseholder. That is a real problem, and it needs to be addressed.

Ms Winterton: My hon. Friend's point follows on from the point made by my hon. Friend the Member for Hendon, which relates to the procurement practices of local authorities, as well as some of the rights in existing legislation.

Mr. Dismore: It is not just a question of local authorities. We could consider the matter in the context of the warm homes initiative, for example, under which the Government have given an enormous national contract to the eaga partnership, which relates to the point that my right hon. Friend made about using local contractors. The costs of installing a new boiler are astronomically inflated under the eaga arrangement, yet the work could be done far more cheaply if individuals paid for it themselves and then charged the scheme. That is not just a local authority problem, however; it is a general problem, and we have to get away from it. In part, I accept her earlier point, but we need to find a way of allowing people more control over the work done in their own homes.

Ms Winterton: I am sure that my right hon. and hon. Friends in the Department of Energy and Climate Change will listen carefully to the points that have been made about how we proceed with the Warm Front contracts.

The leaseholders and any recognised tenants associations have 30 days within which to nominate as many contractors as they wish. The landlord must then try to obtain an estimate from at least one person nominated by a leaseholder and at least one nominated by a residents association. The landlord must then supply a statement, free of charge, to every leaseholder and any recognised tenants association setting out the amount specified in at least two of the estimates as the estimated cost of the proposed works, as well as a summary of any observations that the landlord has received in relation to the proposed works or the estimated expenditure from any tenant or recognised tenants association, along with the tenant's response to those observations. If the landlord selects neither the lowest estimate nor a contractor who has been nominated, he must explain his decision in writing. If the landlord fails to consult properly or does not acquire a dispensation from the need to consult from a leasehold valuation tribunal, he cannot recover any more than the amounts that I have already mentioned: £250 or £100.

Mrs. Lait: Can the right hon. Lady explain how the leaseholder's right to obtain other quotations or other contractors' names, which she has described, sits with the five-year contract for whole of the works, and whether the contractor would have a legal right to compensation should one of the leaseholder's contractors be given the job? Also, as I said, one of the gateways used by RSLs and local authorities is to say that contractors have to be on their approved list or meet their system of approval. That instantly brings delay into the system, so can she explain how that would work?

Ms Winterton: I will attempt to. I know that there are, for example, exceptions for large-scale contracts that are already subject to competitive tendering under EU requirements. Therefore, as the hon. Lady says, some of the bigger contracts would fall under those arrangements.

I want to clarify a point raised by my hon. Friend the Member for Brent, North about the meaning of "must have regard to". It means that landlords must consider the responses and take what they say into account, and that they should be able to give a reason if they are not going to follow them. Magnificently, I think that that is what I said before.

The Commonhold and Leasehold Reform Act 2002 built on the rights of leaseholders to challenge service charges. Those rights enable them to challenge the reasonableness of service charges through an independent leasehold valuation tribunal. LVTs offer leaseholders a relatively informal and inexpensive way of challenging the service charges that they are asked to pay. Previously,

such disputes had to be determined by a court. Service charges were, and continue to be, payable only to the extent that they are reasonably incurred. When they are incurred for the provision of services or the carrying out of work, they are payable only if those services or works are of a reasonable standard.

Leaseholders can now challenge before an LVT service charges payable for the costs of services, repairs, maintenance, improvements or insurance, or for the landlord's costs, including overheads of management. The fact that they can also now challenge the service charges that they are asked to pay in relation to improvements has benefited local authority leaseholders in particular. Leaseholders can now ask an LVT to determine whether service charges are payable, as well as to determine their reasonableness. They no longer need to go to court to determine such matters.

Mrs. Lait: The Minister might remember my reading out the experience of the leaseholders of Orbit South, whose management charges have increased by 100 per cent. over recent years. She really needs to consider what is happening in the real world, as opposed to what is happening in the legislative world. Many public sector leaseholders experience a total disregard for any of the rights that she is reading out; she must bear in mind that what she is reading out is not what happens to public sector leaseholders.

Ms Winterton: I hope that some of the changes that I have outlined will help to improve the position.

Barry Gardiner: My right hon. Friend has been most generous in engaging in debate, and I hope that our interventions will be constructive. All that she has said is absolutely right, and I know that the hon. Member for Beckenham (Mrs. Lait) and I accept that these provisions exist in the legislation. However, let me cite a case as an example.

There is a block of flats in my constituency whose windows had needed doing for many years. Eventually, one leaseholder got so fed up with their not being done that he paid a private contractor to do the work. A year later, the landlord decided to do all the work, but then billed that leaseholder for fitting new windows even though he had already paid to have the work done the year before. The leaseholder took the landlord to a leasehold valuation tribunal. The Minister is right to say that LVTs are supposed to be a quick and effective means of getting justice without having to go to court, but the landlord turned up with five QCs. The leaseholder was blown out of the water—in legal terms—and ended up with a bill for the landlord's legal costs for the five QCs on top of the bill for the windows. The LVTs, which were supposed to provide a quick and easy means of redress, are not working, and we need to address that.

Ms Winterton: As my hon. Friend knows, the tribunal system is obviously meant to provide people with a form of redress where they can make their own case, so it should not involve five QCs. One hopes that tribunal chairmen would be able to acknowledge points made by the individual taking the case and would not be intimidated by five QCs. I am not sure how the individual taking the case to the tribunal ended up paying the costs for five QCs. I am surprised to hear that, so perhaps my hon. Friend will write to me with further details. My recollection of the tribunal system is that the person opposing the individual can have legal representation while the individual does not, so I am not quite sure how the system led to costs being awarded in that way.

There were complaints under the previous system that leaseholders were insufficiently protected from being coerced into paying sums claimed by landlords through the threat of forfeiture. Landlords would begin or threaten to commence repossession proceedings to recover disputed sums. In such circumstances, the leaseholder's mortgagee would often pay up to avoid losing the leaseholder's property, which formed the security for the loan. The Commonhold and Leasehold Reform Act 2002 stopped such action being taken when service charge moneys were still in dispute. It also prevented forfeiture action from being used as a means of recovering relatively insignificant amounts of money—where service charges, administration charges and ground rent or a combination of those charges did not exceed £350 and where no part had been outstanding for more than three years.

The 2002 Act also significantly improved the ability of most leaseholders to take over the management of the building containing their flats and introduced a no-fault right to manage. This gave leaseholders the right to take a greater stake in their homes: they could get together and take over the management of the building containing their flats. I should say that this is one particular area where the rights introduced in the 2002 Act distinguish between the public and private sector, because the right to manage is obviously not applicable to the public sector. I view that as an understandable exception within the legislation.

Mrs. Lait: The right hon. Lady might like to know that Broomleigh had one or two blocks that were full of public sector leaseholders and it sold the flats as freehold. There are some enlightened RSLs, but not very many of them.

Ms Winterton: I acknowledge the hon. Lady's point, but as I say, there is that distinction in the 2002 Act between the private and public sector. Leaseholders no longer have to undertake potentially lengthy proceedings to satisfy a leasehold valuation tribunal that one of a number of grounds had been met to justify removing the current manager. Rather, they could join together and take away the management. This was a substantial increase in their rights.

As hon. Members are no doubt aware, collective enfranchisement is also an important right that allows leaseholders to buy the freehold of the building containing their flats. This gives leaseholders an even more significant stake in their homes. They can step into the shoes of their landlord completely. Exercising collective enfranchisement was also made substantially easier by the 2002 Act. It removed some obstacles to enfranchisement and opened up the right for many more leaseholders. The 2002 Act also made it easier for leaseholders who wanted to maintain the value of their properties to extend their leases. In both cases, changes were made to the valuation principles. These changes reduced the opportunity for disputes about the price payable for either enfranchisement or lease extensions.

Barry Gardiner: I rise simply to lay down a marker. Following the Custins *v.* Hearts of Oak court case, in 1967 a Labour Government introduced legislation establishing the principle that there should not be marriage value. That principle was given away in the 2002 Act, and that has been a significant financial impediment to many leaseholders exercising their right to enfranchisement. We will need to consider that at a future point.

Ms Winterton: I thank my hon. Friend for making that point, and I assure him that we would look into it—and, no doubt, discuss it with him—if we were to introduce further consultation on this matter.[1]

For the first time, all leaseholders are entitled to receive a prescribed ground rent demand at a certain time before such sums became payable. This provided important protection against a leaseholder inadvertently forgetting about his obligation to pay a ground rent and then facing claims for additional costs alleged to have been incurred by a landlord in recovering these sums.

In the Housing and Regeneration Act 2008, we amended the Landlord and Tenant Act 1985 to enable us to introduce measures to ensure that leaseholders will automatically receive a regular statement containing information about their service charges, with the same right to see supporting documentation. Landlords who do not provide the statement or make the supporting documents available will be open to challenge at a leasehold valuation tribunal. We are currently drafting regulations to give effect to this measure, along with other measures to provide protection in respect of service charge moneys held by landlords. Leaseholders will have sanctions if this is not complied with, including the right to withhold service charges. Also, when leaseholders receive demands for service charges and administration charges, they must be given a summary of their rights and obligations in relation to such charges. That means that when they need to know, they are made aware of their important rights where such sums are concerned. Leaseholders can now challenge demands for administration charges covering matters such as payments for consent, which they are required to pay under the terms of their lease. Leaseholders of houses can now also take over the responsibility for insuring their properties from their landlords.

I turn to an issue that will be of particular interest to the hon. Member for Beckenham. We have looked at the issue of local authority leaseholders who find it difficult to pay service charges. The Housing and Regeneration Act 2008 increased the options available to local authority landlords to help leaseholders in this position. Since April 2009, landlords have been able to offer interest-free equity loans and to buy equity shares in properties. This is in addition to their long-standing ability to offer loans on varying terms, to spread payment over a longer period, to agree to delay payment until the property is sold, or to buy properties back outright from owners who are in arrears with service charges or cannot cope with the costs of looking after their home. The Government fund part of the cost of such buy-backs by letting the authority retain more of the receipts from property sales.

Under the Social Landlords Discretionary Reduction of Service Charges (England) Directions 1997, landlords can also cap service charges if certain conditions are met, including if a leaseholder will suffer exceptional hardship. In 2002, we undertook a review of issues relating to major works service charges paid by local authority leaseholders. That was done because of concerns raised over high service charges that were being levied on local authority leaseholders, principally arising out of work being carried out to bring homes up to an acceptable standard under the decent homes programme. We learned that many local authorities, particularly in London, already offer a range of forms of assistance to their leaseholders. They offer a range of payment by instalment options; some agree to delay payment until the property is sold; others even offer a discount if the bill is paid in full promptly.

A written ministerial statement on 29 March 2007 outlined the Government's position and the options on offer to leaseholders at that time—support which, as I have already mentioned, has been improved by legislation. However, I can assure the hon. Lady and other Members present that we are keeping the position under review in the light of current financial and housing market conditions. I therefore hope that Members will agree—although I completely take on board the points made today—that the Government have improved the rights and protections available to leaseholders in many significant respects. They have been empowered by rights that were not available until we took this action.

Let me deal with the Bill's proposals in more detail, and begin with the proposal for involving tenants in works. As I outlined earlier, the consultation provisions in the Landlord and Tenant Act 1985 which were amended by the Commonhold and Leasehold Reform Act of 2002, already cover most of what is proposed here. There is a statutory requirement that all landlords must consult their leaseholders before carrying out works to their buildings and estates. These existing consultation requirements, which are contained in regulations made under the 1985 Act, cover most of what is proposed in the Bill.

I have already mentioned how the existing consultation rights give leaseholders an input into the procurement process. We have to ask whether the additional requirements proposed in the Bill—to consult on specifications for tenders, to put forward counter proposals and to hold ballots—would add to the consultation process. It would not be helpful to tenant or landlord if we were to replicate or replace rather than add to the process. We need to be cautious not to increase the complexity, time scales, costs and burdens of consultation, given that in some cases those would be passed on to leaseholders.

We also want to be clear that there is no risk that leaseholders could also force landlords to accept counter-proposals that could put them in a position where they are not able fully to meet their contractual obligations to all leaseholders—and to their tenants—to maintain and repair a building or estate. I am sure that those are consequences that the hon. Lady would want to ensure were avoided in her Bill.

Proposed new section 20ZA(1)(g) would require the landlord to make certain documents available for 10 years. Retaining documents relating to service charges, works and agreements should, at the very least, be a matter of common sense where it is not already enshrined in best practice or as a statutory requirement. But it is sensible for both leaseholders and landlords to retain those documents. Because leaseholders can challenge the reasonableness of service charges through a leasehold

1. *[Official Report, 14 July 2009, Vol. 496, c. 3MC.]*

valuation tribunal, even when they have paid the charges, landlords need to be able to justify those charges with documentary evidence. Without such evidence, they are likely to have a weak case that will not impress a leasehold valuation tribunal. However, it seems unlikely in practice that a leaseholder will need to see information relating to service charges that goes back some 10 years.

Further, leaseholders can currently request a summary of service charges, representing the last 12 months, and can ask to see documents supporting the summary. Also, as I have previously mentioned, we will be proposing changes to the legislation so that leaseholders will automatically receive a regular statement containing information about their service charges, with the same right to see supporting documentation. We are drafting the regulations that will give effect to this measure. There will also be sanctions if this requirement is not complied with, including a right for leaseholders to withhold service charges. Landlords would also be vulnerable and open to challenge at a leasehold valuation tribunal if the supporting documents were not available. We need, therefore, to reflect on the need specifically to legislate to compel landlords to retain information for an arbitrary period of time, particularly as it is already in a landlord's interest to do so.

Proposed new subsection (5)(g)(iii), which can be found in clause 1(2), would place a requirement on landlords to make publicly available requests to the residential property tribunal service as well as the decisions. We think that that is unnecessary, because determinations made by those tribunals that determine matters under the residential property tribunal service are already publicly available through the residential property tribunal service website. Of course, tribunals make all relevant information available to the parties involved in the dispute. We therefore do not need to add additional burdens and costs to the process by asking landlords to make public all requests to the tribunal.

The final element of clause 1 relates to payment arrangements that must be made by landlords when service charges exceed £12,000 in any 12-month period. I recognise the driver behind the clause. I know that quite a number of local authority leaseholders have received high major works service charge bills that reflect the work being carried out through the decent homes programme to overcome years of neglect. The intention of the clause appears to be to allow leaseholders to spread out their contributions to costs over a longer period. However, we need to ensure there is no ambiguity and to ensure clarity in what is proposed.

There is a risk that the clause is unlikely to achieve what is intended. In addition, it would also affect all landlords and not just local authority landlords. It would require landlords to make index-linked arrangements for leaseholders to pay in reasonable instalments when contributions exceed £12,000 in any 12-month period. As I said, the clause raises a number of questions that I think would need to be considered. For example, what does it actually mean? Over what period should the instalments be paid? What would be regarded as reasonable instalments? Those matters appear to be left solely to the discretion of the landlord.

Clause 2 proposes to amend section 105 of the Housing Act 1985. Section 105 deals with the duty on landlord authorities to engage with their secure tenants on housing management matters that are likely substantially to affect them—for example, if there is a new programme of maintenance, improvement or demolition of dwelling houses let by the authority, or a change in policy or practice. Landlord authorities for that purpose mean local authorities, registered housing associations, charitable housing trusts and development corporations. That means that secure tenants of these authorities must be kept informed about the authority's proposals and given the opportunity to comment.

The Bill would require those landlords similarly to consult their secure tenants on all national Government consultations that substantially affect them and where the landlord intends to respond. As proposed, it would appear that that would be a significant additional burden for any authority to carry, without obvious benefits to the tenants. As drafted, the proposal would also appear not to relate to leaseholders, whereas I believe that the Bill's main aim is to help them.

Overall, there is a balance to be struck. We all need to satisfy ourselves that what is proposed would provide a greater opportunity for tenants to make their views known to Government, rather than duplicate how the Government received responses. We also need to consider the burden on local authorities and other landlord authorities, which may be forced to consult on issues on which tenants do not wish to engage.

To recap and conclude, the proposals in the Bill put forward by the hon. Member for Beckenham, while very well intentioned, are already available under existing legislation. I do not think that the changes proposed would deliver real benefits to leaseholders, and there is a danger that they would add significantly to the procedures with which landlords would need to comply. Again, that would create unnecessary burdens and costs—costs that would, in many cases, be passed on to the leaseholders whom the measures are intended to benefit.

The current position strikes a fair balance between the rights and responsibilities of leaseholders, having taken into consideration the sometimes polarised views of those affected, so the Government cannot support the Bill. However, as I have said, I will certainly look at all the issues closely, and will discuss them with my right hon. Friend the Minister for Housing. I ask the House not to support the Bill on Second Reading.

1.36 pm

Simon Hughes (North Southwark and Bermondsey) (LD): Mr. Deputy Speaker, I apologised to your predecessor in the Chair for having left the Chamber to attend to constituency duties. I was here for the beginning of the debate, and for all the earlier debates today. I just want to make a brief comment. It is disappointing for us sponsors of the Bill, and those of us who have piloted similar Bills through the House, that the Bill introduced by the hon. Member for Beckenham (Mrs. Lait) is not getting a more positive response. When I left, she was making a very good case; when I came back, the Minister was making a response that was clearly not very helpful.

The Lord Commissioner of Her Majesty's Treasury (Steve McCabe): You didn't hear it!

Simon Hughes: The part that I heard was not very helpful; I can say that without having heard the other part. *[Interruption.]* Yes, I caught the mood music.

[Simon Hughes]

We will obviously study what the Minister said carefully, but for the tens of thousands of people in boroughs such as mine, which is where the Minister lives when she is in London, there will be considerable disappointment that the Bill is not getting Government support. The Minister has undertaken to speak to her colleague, the new Minister for Housing. I hope that Ministers will at least work out what changes the Government would be willing to make to reflect the consistent concerns. I am sure that those concerns are not unique to outer south-east London, or inner south-east London, but are shared, as my hon. Friend the Member for Dunfermline and West Fife (Willie Rennie) said, by people all over the country. I hope that the Minister will take away the message that the present legislation is not sufficient.

1.38 pm

Mrs. Lait: With the leave of the House, may I congratulate the Minister on her mammoth speech, even though it was deeply unhelpful? The people affected by the problems that we have discussed are public sector leaseholders, who have come to me, to the hon. Members for Hendon (Mr. Dismore), for Brent, North (Barry Gardiner), and for North Southwark and Bermondsey (Simon Hughes), and, interestingly, to the hon. Member for Dunfermline and West Fife (Willie Rennie)—*[Interruption.]* Not Renfrewshire; I know about Renfrewshire. It is on the other side of the country. Of course, unless the law has changed in Scotland, there is no leaseholding law there. However, I congratulate the hon. Member for Dunfermline and West Fife on doing a noble job with regard to a very unfamiliar situation.

I thank my hon. Friend and colleague the Member for Bromley and Chislehurst (Robert Neill). All of us have public sector leaseholders in our constituency who have consistently complained for years, after the 2002 Act just as much as before it, about the deficiencies in their input into the homes in which they live.

The right hon. Lady tried nobly to defend the current system. Although I appreciate enormously her offer to brief the Minister for Housing and to write to me about various matters, she and the Department must understand that the situation for public sector leaseholders is deeply unsatisfactory. At some point legislation will have to be introduced, possibly much more extensive than my Bill, which I readily acknowledge is defective, to give those leaseholders a fair crack of the whip in the management of their own homes.

Those who read the debate or may have been listening to it will be desperately concerned that the right hon. Lady thinks there is a fair balance at present. They know well that that is not the case. As there is a certain eagerness to get on to other private Members' Bills, I shall not seek to divide the House. I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Illegally Logged Timber (Prohibition of Sale) Bill

Second Reading

1.42 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the Bill be now read a Second time.

The Bill is interesting. I am grateful to my hon. Friend the Member for Brent, North (Barry Gardiner), who has done sterling work on the topic. Indeed, the Bill is a carbon copy of the Bill that he promoted.

Every year the world cuts down enough trees to cover an area the size of Portugal. In 25 countries, forests have effectively disappeared. In a further 29, less than a tenth of their forest cover remains. Such deforestation exacts a terrible toll on the natural environment and accounts for around 18 per cent. of all greenhouse gas emissions globally—more than trains, cars and planes combined. Illegal logging costs timber-producing economies worldwide $10 billion a year. It causes untold environmental damage, promotes corruption, undermines the rule of law, funds armed conflict, harms sustainable development and threatens wildlife. All this happens in some of the world's poorest countries.

The UK is the world's fourth largest net importer of wood products. Central Government Departments are estimated to purchase some 20 per cent. of all timber bought in the UK. This figure rises to 40 per cent. when local authorities and other Government bodies are included. We can raise the standards of public sector procurement, and by doing so play a significant role in raising standards generally. I am pleased that the Government have decided that from 1 April 2009, only timber from independently verified legal and sustainable sources or from a licensed forest law enforcement, governance and trade—FLEGT—partner will be used on the Government estate, but we must do more.

In October last year the European Commission presented a proposal for a regulation of the European Parliament and the Council laying down obligations on operators who place timber and timber products on the market. There are significant problems with the proposal. It focuses on the first time that timber and timber products are made available on the Community market, regardless of their origin, by determining the obligations of those operators who place timber and timber products on the Community market.

The proposal is based on the due diligence principle and requires the operators covered by it to apply a system, due diligence, to minimise the risk of placing illegally harvested timber and timber products on the Community market. The proposed measures aim to contribute to global efforts to fight illegal logging by deterring operators from placing on the Community market timber and timber products without a reasonable assurance of their legality. They also provide consumers with the certainty that by buying timber and timber products they do not contribute to the problem of illegal logging and associated trade. Legality is defined on the basis of the legislation of the country of harvest, applicable to forest management, timber harvesting and timber trade. Timber and timber projects covered by a FLEGT licence or a convention on international trade in endangered species permit are considered to have been legally harvested.

Chatham House produced an impact assessment of three scenarios based on proposals of the EU Commission. The first scenario was on the basis of an operator's self-declaration, which seems to be where it is going, without third-party audit. That is obviously the least robust scenario. The second scenario is an elevated version of the systems used by trade associations that have responsible purchasing policies, combined with the mode of operation of the UK central point of expertise on timber. The third scenario is the strongest one. It includes third-party auditing, and verified third-party legal material is the minimum requirement, whether domestically grown or not. That is the most robust scenario when it comes to due diligence.

Is due diligence enough? My Bill will go further than that by introducing new criminal offences. I believe that I am in line with the wider view, particularly expressed by non-governmental organisations, in this respect.

EU timber traders will have to set up a due diligence system to minimise the risk of illegally harvested timber being placed on the European market under the proposals, but those fall short of making it a criminal offence to market illegal timber, and green groups have criticised the draft EU proposals as too weak to stop the material sold on the European market. The proposals published by the Commission do not ban illegally sourced timber from entering the EU market. Instead, the proposed regulation intends to minimise the risk of illegally harvested timber being sold in Europe.

About 27 million cu m of illegal timber enter the EU each year, according to the WWF. The Commission puts the figure at 16 million cu m, but both agree with estimates that just under a fifth of timber imported into the EU is harvested illegally. The EU says that almost half of logging is in vulnerable regions—the Amazon basin, central Africa, south-east Asia, the Russian Federation, and some of the Baltic states. That causes enormous environmental damage and loss of biodiversity, and distorts the market.

We have also seen a very slow pace in the FLEGT licensing system, where licensed countries can attest that timber exports have been harvested according to national rules. Up to October 2008, just five countries—Malaysia, Indonesia, Cameroon, Congo and Ghana—had begun negotiating such an agreement with the EU. Ghana was the only one licensed under the scheme in September 2008. The pace of negotiations were such that the Council, the European Parliament and the then French presidency repeatedly asked the Commission to put forward further proposals without delay.

The proposals are disappointing and the green groups have been lobbying for a proposal that would effectively close the EU market to illegally harvested timber.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): My hon. Friend makes a valid point on the use of the FLEGT arrangements, but does he agree that while it is frustrating that only three countries have joined up, the process whereby 10 or 11 additional countries are engaged in coming on board with FLEGT, tortuous and difficult though it is, means that we are starting to get something of a cultural change? Secondly, it is not only a matter of achieving the legality of timber sources through FLEGT, we then need to create genuine sustainability within those communities, for the good of their indigenous peoples.

Mr. Dismore: I would not disagree with any of my hon. Friend's comments, but it is a matter not of either/or, but both. There is nothing wrong with the due diligence process based on FLEGT or otherwise, but we need to go further. It has been suggested that it would be impossible to make criminal sanctions work, yet a prohibition on trade in illegally logged wood products was passed in the United States in May 2009 in an amendment to the Lacey Act.

Barry Gardiner (Brent, North) (Lab): My hon. Friend is coming on to the Lacey Act and the way of stopping the circumvention. The essential point is that FLEGT is a good bilateral licensing scheme to ensure that any timber coming from a FLEGT voluntary partnership agreement country will be accepted as legal within the EU, but that does not stop circumvention—leakage—to other countries. They can then turn that timber into tables, and it enters the EU in another manner. We need a Lacey-style Act, as my hon. Friend said, precisely to stop that circumvention.

Mr. Dismore: I am grateful to my hon. Friend for his helpful intervention.

In October last year, United States officials outlined how their new scheme was to be implemented, and since April there has been a requirement to declare the origin of species for plants, timber and solid wood products, such as tables, to coincide with a web-based declaration system. Regulations governing furniture and paper will be phased in over a two-year period. The Environmental Investigation Agency, a non-governmental organisation, described the move as

"a historic breakthrough for international efforts to control deforestation".

Wearing my human rights hat, I should say that there is an important human rights dimension to the issue, too. I shall not go into it in detail, but the Committee that I chair, the Joint Committee on Human Rights, is conducting an inquiry into business and human rights. We have looked at issues, for example, relating to the operation of the extractive industries in the developing world, and forestry is one example of how such industries can have a significant impact on the developing world and, as my hon. Friend the Minister said, on indigenous people in particular. Human rights must be protected, and one means of doing so is by overcoming the problem of illegal logging.

Illegal logging is a criminal activity that undermines Government systems worldwide, destroys ecosystems, contributes to carbon emissions, harms poor and rural economies and forces UK businesses and workers to compete with inappropriately low-cost forest products made from illegally sourced timber. It directly costs the UK economy millions of pounds per year in depressed prices and unfair competition in the timber industry. By introducing simple yet effective legislation, the Government would be taking a major step towards fulfilling their long-standing commitment to tackle illegal logging; and, by supporting the Bill, they would send to world markets a strong signal that wood products harvested illegally will no longer be acceptable in Britain.

My Bill is straightforward: it simply makes it a criminal offence if anyone

[Mr. Dismore]

"sells, or offers for sale, any wood that has been harvested, sold, taken or possessed illegally in the country from which the wood was originally harvested, or…attempts to commit"

such an act.

I do not propose to go through the Bill in detail, because we are short of time and other Members wish to contribute to the debate. Clearly, we also want to leave plenty of time for my hon. Friend to reply, so that, if necessary, there will be time to vote before 2.30 pm.

1.52 pm

Mr. Rob Wilson (Reading, East) (Con): I congratulate the hon. Member for Hendon (Mr. Dismore) on successfully introducing this private Member's Bill, which I understand originated with the hon. Member for Brent, North (Barry Gardiner) as a ten-minute Bill last year. We are all aware of the difficulties in introducing such legislation, and all successful attempts are to be commended. However, I note that, according to today's Order Paper, the hon. Member for Hendon has been successful four times in introducing private Member's Bills. Perhaps he will let me know how he manages it.

Although this is a new area of interest to me, the hon. Member for Brent, North has long taken an interest in it, and he has an impressive back catalogue of achievements: he was the Prime Minister's special envoy for forestry; he previously had responsibility at the Department for Environment, Food and Rural Affairs for biodiversity, landscape and rural affairs; and, as I have said, he last year introduced a ten-minute Bill, which Opposition Members supported and sponsored. The Bill aimed to make it an offence for any importer or distributor to sell or distribute in the United Kingdom any wood harvested, manufactured or otherwise dealt with illegally in the country from which the wood originated.

Introducing the Bill, the hon. Gentleman made a number of important points that are worth recalling. He said that 18 per cent. of all the greenhouse gas emissions that contribute to climate change come from deforestation; that figure was recently repeated by the Secretary of State for Environment, Food and Rural Affairs. Only if we put together all the power stations in the world—coal fired, nuclear and those using all the other electricity-producing technologies—would we have a sector that contributed more to global warming than does the loss of trees.

The hon. Gentleman also said that the World Bank estimates that the trade in illegal timber amounts to $15 billion each year. The UK is the fourth largest consumer market of imported tropical timber, yet only a fraction of the timber that we import can be said with any certainty to have been legally sourced and harvested in its country of origin. Illegal logging not only destroys forest ecosystems and contributes to carbon emissions, but directly harms some of the poorest people on the planet—those in the indigenous forest-dwelling communities whose very livelihoods depend on the forest.

In this country, we declare our support for the millennium development goals, yet in the UK it is not an offence to trade for commercial gain timber that we know to have been harvested illegally in its country of origin. If we were dealing with private property, such as stolen antiques or works of art, there would be no question but that those importing or selling such artefacts would be regarded as criminals and dealt with according to the full force of the law. However, in the UK, companies that habitually trade in stolen timber have committed no crime and broken no law.

It is worth mentioning that not only was there cross-party support for the hon. Gentleman's ten-minute Bill; it was also supported by the Timber Trade Federation, the Environmental Investigation Agency, James Latham Ltd, the Royal Society for the Protection of Birds, Global Witness and the Born Free Foundation. That shows why today's private Member's Bill is so important.

The European Commission recently decided not to make it illegal to import illegally harvested timber into Europe. That distinguishes the EU from the USA, which recently passed amendments to the Lacey Act making it illegal for a person or company to import, export, transport, sell, receive, acquire or purchase timber or timber products illegally taken, harvested, possessed, transported, sold or exported.

Huw Irranca-Davies: The hon. Gentleman is making a very good contribution to this welcome debate. The Lacey Act takes a principled approach of complete prohibition. However, what is important is not only the symbolic value of what is put on the statute book in the UK, the European Union or elsewhere; provisions also have to be workable and enforceable, and they have to be able to be monitored and delivered. Far be it from me as a legislator to say that we should ever introduce legislation that could not satisfy those requirements, regardless of any symbolic value. We must watch what happens with the Lacey Act and see whether it delivers on a big promise.

Mr. Wilson: The Minister makes a telling point; it is important that legislation should be workable and enforceable.

Barry Gardiner: The hon. Gentleman may be aware that last year a representative of the US customs appeared before Chatham House. He said that the amendments to the Lacey Act, introduced at the beginning of that year, were already working effectively and that prosecutions under it had already been secured.

Mr. Wilson: That helps to answer the Minister's point. From the information that I have received, it seems that the Lacey Act is workable and enforceable. I shall say a bit more about that in a few moments.

Instead of prohibition, the EU has introduced a proposed regulation under which operators have to exercise

"due diligence to minimise the risk of placing illegally harvested timber and timber products on the market."

That has been rightly and widely attacked as lacking teeth. The EU has given two reasons why it believes that prohibiting the placement of illegal timber on the market is not feasible, and both are pertinent to proving illegality in a third country. The first is:

"The enforcement authorities in Member States would need to establish the offence on the basis of foreign laws through investigations beyond their jurisdiction and European courts would be compelled to rule on the legality of timber products harvested elsewhere. Europe is generally reluctant to act beyond its jurisdiction or to

pass judgement on other countries' legal frameworks unless there is an immediate threat to the well-being of its population, such as in the case of food safety or terrorism."

The second is:

"Obtaining the necessary proof that a specific batch of timber was harvested at a certain time and place in contravention of applicable legislation in the country of harvest is deemed to be a difficult if not, in many cases, impossible task. It is not always possible for traders to know how to avoid being implicated in illegal activities and this would create uncertainty and would not bring meaningful changes in the timber sector. Practical difficulties and political implications would limit its application to very few high profile cases, thereby undermining its effectiveness in meeting its objectives."

Huw Irranca-Davies: This is a very good debate. Does the hon. Gentleman think that it is right to have a system that does the job, can be shown to be workable and does not place undue or disproportionate burdens on sectors of industry in the UK and elsewhere, but that can be enforced and sends the right signal? What are his thoughts on the EU approach and where the right balance lies?

Mr. Wilson: If the Minister will be patient, I shall come to that. I certainly agree that the system should do the job but not place unworkable burdens on the sector.

Assessing whether a timber trader has exercised due diligence is inherently subjective and requires a burden of proof. According to Global Witness:

"Unless being caught in possession of illegal timber is treated as de facto proof of a failure to comply, this legislation is very unlikely to provide a deterrent to the determined illegal operator".

Moreover, if the USA is capable of establishing an offence, there seems no reason why member states should not be able to do so.

The Government's response to the EU proposal was contained in a recent written statement. They said:

"The Agriculture Commissioner introduced a proposed regulation requiring those placing timber on the market to ensure that the timber has been legally logged. The UK welcomed the regulation but said that effective enforcement was very important. In particular, the UK and the Netherlands urged quick progress to be made in negotiating the proposal before the European Parliament was dissolved."—[*Official Report*, 13 November 2008; Vol. 482, c. 65WS.]

In March this year, the Secretary of State called for tougher European laws to tackle illegal logging. He would like to make it an offence to import illegally produced timber into the EU, and he stated:

"Illegal logging causes untold environmental damage, it harms communities and it threatens wildlife. If we import timber without ensuring that it is legally sourced, then we are contributing to these problems.

We in the UK have a responsibility to act. Government departments are estimated to account for one fifth of all timber bought in the UK—and this rises to two fifths if you include local authorities and other government bodies.

So from 1 April we're changing the way we buy timber. It is a message to the rest of Europe that we are ready to lead on this issue—and we want to do more.

We want to strengthen the welcome steps that the EU is taking to exclude illegal timber from our markets. Making it an offence to import it would send a clear message to the market that such activity was no longer acceptable.

We need to bring an end to this pernicious trade. Illegal timber should be just that—illegal."

That is very welcome, but it is important to note that the Secretary of State is calling for EU action rather than domestic UK action.

In an answer to a parliamentary question from my hon. Friend the Member for East Surrey (Mr. Ainsworth), the current Minister indicated that creating a new offence would not be possible under UK law. He stated:

"The UK Government cannot institute legal proceedings in the UK relating to a breach or breaches of sovereign laws in another country".—[*Official Report*, 24 November 2008; Vol. 483, c. 858W.]

However, my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice), the shadow Minister for agriculture and rural affairs, has sought legal advice, which states:

"There is certainly no reason I can see why it should not be possible to create an offence of selling or distributing imported wood illegally harvested in its country of origin (or, indeed, of importing such wood into the UK)."

Crucially, and contrary to the Minister's previous statement, it may therefore be possible to create a new offence under UK law. We should examine that possibility.

Huw Irranca-Davies: If we wished to do so, we could certainly produce legislation imposing legal requirements on UK businesses in relation to the way in which they deal with processing and importing timber. However, I return to my earlier comment about what would be workable and proportionate. Should we expect UK producers, suppliers and processors to accept a burden that is not commensurate with the burden placed on those in other European Union countries?

Mr. Wilson: I am pleased to hear the Minister say that the UK could produce that legislation, because I had not heard of such an agreement before, but I repeat that the Secretary of State said:

"We need to bring an end to this pernicious trade. Illegal timber should be just that—illegal."

We have the opportunity to do that, under UK law. I understand what the Minister says about burdens on business, but action to deal with illegal logging is very important to the future of not just this country but the whole world.

Barry Gardiner: The burden on UK businesses will not be increased at all. The primary burden that they already bear is compliance with the law in the timber-harvesting country. If they comply with that law—as they will say that they do—there will be no additional burden vis-à-vis other European suppliers.

Mr. Wilson: That is an interesting point. I bow to the hon. Gentleman's enormous knowledge of these matters. Personally, I am not sure that there would be a massive increase in the regulations with which companies in this country would have to comply.

Tackling illegal logging would go a long way towards saving lost revenue and preventing the widespread environmental damage, loss of biodiversity and increases in carbon emissions to which illegal logging contributes. In 2007 we published a paper called "Forests for Life", which outlined a number of potential directions worthy of consideration. It followed wide consultation on a range of measures aimed at reducing deforestation and the trade in illegal timber, including making the possession of illegal timber an offence.

2.8 pm

Barry Gardiner (Brent, North) (Lab): I congratulate my hon. Friend the Member for Hendon (Mr. Dismore) on introducing the Bill. I shall speak only briefly, because I want to hear what the Minister has to say.

Before I tackle a few central issues, let me set out the context. My hon. Friend the Member for Hendon rightly referred to the FLEGT agreements. FLEGT is the process of bilateral licensing between the European Union and partner countries under which timber licensed from those countries can be imported into the EU and accepted as legal.

It would be wonderful to have a global FLEGT system, which would largely put an end to illegal logging in international trade, although not necessarily internal trade within countries. However, we do not have such a universal system, and until we do, leakage will always be possible. Leakage simply means that timber that does not come into the EU can be sold to other countries—I will not name them, although many people will know the key candidates—which produce artefacts and goods, such as tables and chairs, that then come into the European Union apparently legally and from a legal source. It is precisely because the current licensing, even if expanded, would still allow that leakage—that circumvention—that it is important that the EU and, I would add, the UK should act to block it.

A number of years ago, the European Commission came up with a series of proposals, which it consulted on, for additional options to the FLEGT arrangements. For years Ministers had said, "We've got to wait and see what happens in Europe." We also had non-governmental organisations saying, "Won't it be better if we can get a Europe-wide scheme? If 27 countries can act together, we can really get to grips with the problem and stop illegal logs from coming into the European Community." That was a counsel of perfection that nobody disputed; however, I never believed that that would happen. Indeed, in May last year the European Commission abandoned its additional options proposals. On 17 October last year, it then came up with a system of due diligence, which my hon. Friend the Member for Hendon and others have outlined.

It is by looking to that system that the Government can say that no UK legislation is required, so let me be clear why it is inadequate. Under the EU proposal, an importer who has never imported illegal timber and does not attempt to do so can be prosecuted for failing to follow the due diligence system. However, an importer who deliberately imports illegal timber cannot be prosecuted as long as they can show that they have followed the due diligence system. The EU's proposals are procedural. They are not substantive and they do not go to the heart of the issue, which is this: is illegal timber coming into the EU and into this country? The answer is yes. That is what we need to stop.

The EU proposals are for a tick-box process, which means that as long as someone can show that they have asked a supplier whether something was legally sourced and they say yes, that person gets off scot-free. It does not matter whether they believed the supplier or even whether they knew that he was lying through his teeth; as long as that person can tick the box, the EU's process would allow them to import illegal timber and yet evade prosecution. That is why the EU process is fundamentally flawed. It is a process; it is not a way of tackling the substantive problem.

The reason why the amended Lacey Act, as introduced by the Americans, is a good method and why it precisely counters the Minister's earlier remarks about ensuring that the system is workable and does not impose undue burdens is that it is a very elegant piece of legislation. It shifts the balance of risk, by providing a clear incentive for companies to drive the burden of due diligence back down their supply chains. The Lacey Act ensures that the trappings of legality, such as the certificates of legality that can be bought for $5 in Douala market, do not hold weight. It is better that the importers and distributors should be put on notice that they can be opened up to challenge at any point and that they will face substantial penalties if they are found guilty.

Importers can continue to import timber into this country through their supply chain as long as they have confidence in their procedures. They will not be stopped at the border. There will be no requirement to show certificates or anything of that nature. If they are challenged, however, and if the timber is shown to be illegal, they will have committed an offence. The burden will have been shifted on to them to ensure that their supply chain is right. They will not be able simply to say, "I did this, I did that and I did the next thing, therefore I'm all right." They will actually have to get it right. Many of them say that they are already doing so.

The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies) will know that I am thoroughly in favour of the new regulations on Government procurement that came in earlier this year. Indeed, I was the Minister in the Department who proposed them at the time. Government procurement accounts for 40 per cent. of procurement in this country, as my hon. Friend the Member for Hendon said, so most of the suppliers will now have to comply with those much more onerous regulations.

It is important that the UK should give a lead on this matter, because Europe has shown that it is incapable of doing so. There are no penalties in the proposals from the European Commission. The penalties regime is left to each of the 27 member states. My hon. Friend the Minister knows well that perhaps 21 or 22 of those countries will do nothing whatever on this issue. It is only by our giving a strong lead through independent regulation in the UK that we will bring the European Commission to the point of introducing strong European legislation that can achieve the goal of universally tackling the problem.

2.17 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I shall be brief. I pay tribute to the hon. Member for Hendon (Mr. Dismore). He is scoring well this afternoon, and we want him to score well on this Bill. I also pay tribute to the hon. Member for Brent, North (Barry Gardiner) for the work that he has done, and for his continuing interest. I join the hon. Member for Reading, East (Mr. Wilson) in saying to the Government that I hope they will be very positive about this Bill.

We support the Bill, and I shall briefly summarise our reasons for doing so. First, as the hon. Member for Brent, North has just said, the UK has to lead if we are

to deal with global warming and deforestation and take our international responsibilities seriously. The Prime Minister has made an announcement today about the responsibility of the UK in taking the lead, so that the developing world is not asked to take an unreasonable share of the contribution in dealing with climate change. This is an example of how we can lead.

Secondly, we have a particular responsibility because of the failure of the Europe-wide process. Thirdly, this is a live, practical issue on the doorstep and among the traders, be they in Ogmore, in south London or in Berwick-upon-Tweed. This is about ensuring that everyone understands their international and global responsibility. People who are in the import and export business, the timber trade and the construction industry will need to be on notice that they have a responsibility to ensure that the products that they deal with are properly and legally acquired, and that they do not contribute to problems in other parts of the world, further up the supply chain. This is about giving them that responsibility. Sometimes we need to have sticks as well as carrots, and sometimes we have to say, "This is a criminal offence, guys, if you don't get it right." I hope that the Minister will be positive about the Bill, and that we have allowed enough time for him to say yes, to allow the Bill to go into Committee.

2.19 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I am pleased to respond to this very good debate. It has been noted that it is also a very live debate, as we are in the midst of European negotiations on this subject. We are engaging in live time, not only with my hon. Friend the Member for Hendon (Mr. Dismore), who has introduced the Bill, but with a wide range of stakeholders, including various non-governmental organisations, the Timber Trade Federation, and small and large businesses, all of which are trying to push in the right direction. The question is how we achieve what we are all signed up to and stop illegally sourced timber from entering not just the UK but anywhere in the EU. How can we do that in a way that delivers what we all want to achieve? That is the nub of our debate. I welcome this genuine debate on the issue, on whether the Bill provides the right way forward and on whether there are alternative ways of achieving what we want. The Bill is set against the background of real-time discussions and negotiations in Europe.

Barry Gardiner: Will the Minister address this point? Why is it sensible for the European Union to construct a new and different regime for tackling the problem when, for once, the US has been in the lead on an environmental issue and has put in place an effective regulatory regime that is already dealing with the problem? The EU could simply go with that regime.

Huw Irranca-Davies: My hon. Friend raises an important question, which I will come to. The Lacey Act is often referred to as a gold standard, in putting forward a complete ban or prohibition. It sends a very strong signal and works all the way down the supply chain. I cannot remember the exact date but the Act was introduced in the early 1900s, originally to deal with fishing and related issues. It has subsequently been used to bring forward legal sanctions. It was amended in 2008, but it has not yet been used to bring prosecutions for timber violations. We are hopeful that such prosecutions will go ahead, but to the best of my knowledge there are none as yet; there may be some pending. We are hopeful and watch with interest.

Barry Gardiner: I recollect from the American man who was representing the American customs agency at Chatham House last year that a prosecution has already been pursued against an illegal importer of timber. I am going on what he said at that Chatham House meeting.

Huw Irranca-Davies: Perhaps we can clarify that further after this debate. As I said, we are hopeful that there will be some prosecutions, but to the best of our knowledge, they have not yet been brought. The Lacey Act has been used to bring successful prosecutions in other areas, but not in respect of timber. We watch with interest because if, as my hon. Friend says, the Act can be shown to work and deliver, we should not discount it out of hand. Let me go on to deal with other points.

I acknowledge the work of my hon. Friend the Member for Hendon as Chair of the Joint Committee on Human Rights, and that of my predecessor in my current role, my hon. Friend the Member for Brent, North (Barry Gardiner). He brought forward an earlier Bill, with the WWF and others, which was also well supported. In his former role as special representative on forestry, appointed by the Prime Minister, and in his current role as co-chair of GLOBE International, my hon. Friend has never resiled from his commitment to this issue at any level.

As others have said, this issue goes to the heart of where we are on climate change, criminality, corruption, the rule of law, good governance in countries, economic development, impacts on indigenous communities and forest ecosystems, and so forth. If we get this right, the impact will be significant. It is how we get it right that lies at the core of the debate. We genuinely support the motivation behind the attempt of my hon. Friend the Member for Hendon to deliver legislation to tackle what has become a quite pernicious trade in illegal timber. It is a global problem not just a UK problem or an EU problem, and it has far-reaching environmental and development impacts.

We in the UK, as my hon. Friends will recognise, have long called for legislation at EU level on a multilateral basis—with all the frustrations that that involves. Various Committees of this House have said that they recognise the frustrations of a multilateral approach, but they have said at the same time that that has to be the way to deliver on this issue, because taking action on a unilateral basis will not deliver the sort of effects that my hon. Friends are looking for.

Mr. Dismore: Would my hon. Friend like to give an estimate of the number of square miles of illegally logged timber that have been cut down since the EU discussions started?

Huw Irranca-Davies: I cannot give that estimate off the top of my head, but I acknowledge that, as we speak here today, acres and acres of illegally logged timber is being cut down around the world.

Barry Gardiner: I rise simply to make the point that these things must not be placed against one another; it is not about this Bill or a European Bill. We have proposed this Bill precisely because we believe that it is necessary for one country or another to put spine and backbone into the European Commission in order to get decent legislation Europe-wide.

Huw Irranca-Davies: Yes, I appreciate what my hon. Friend says.

Let me turn to the nub of the Bill and deal with a few issues that address the points that have been raised. We are currently right in the middle of European negotiations on a due diligence regulation, which was released by the Commission in October 2008. The regulation aims to tackle this very problem with the timber trade; there are discussions over which is the best way to do it, but that is what we are trying to do. The UK Government are working with EU and other stakeholders, some of whom want to push harder and go faster. Our position has been that action to address the problem with the timber trade must be taken at the EU level, otherwise we risk simply diverting the trade elsewhere within the EU. Strengthening our measures would send a strong unilateral signal, but if we do not tackle this problem at the EU level as well, leakage will take place elsewhere.

Mr. Dismore: As I said in my opening remarks, we are the fourth largest timber importer in the world. If we take the decision to make this illegal and a criminal offence, about 40 per cent. of the timber will not be coming in illegally.

Huw Irranca-Davies: Let me go straight to the heart of why we think the EU approach is right, and why to do this on a UK basis would not only be difficult, but might be the wrong approach to take.

The hon. Member for Reading, East (Mr. Wilson) raised the issue of my previous statements and whether we can bring forward UK legislation. I have just tried to clarify that we cannot set up a separate UK legislative process that is different from our EU commitments, because if we were to do so, we might well open ourselves up to infraction procedures. We must be aware of that.

Let me now turn to the issue of administrative costs. It has been said that they might not exist or they might be minimal, but administrative costs would be incurred in proving that timber has come from good sources. That would not only involve the B&Qs of this world; every single supplier down the line would need to prove that they had taken their responsibilities seriously and had proved the source of the timber.

I agree with my hon. Friend the Member for Hendon that the UK should provide leadership. My right hon. Friend the Secretary of State is advocating the idea of putting a prohibition on the import of illegal timber—not a prohibition right down the chain, but a prohibition at the point of source, so that the company or individual who imports illegally into the UK will be subject to the prohibition and it is against them that action will be taken. That would be a strong signal. It is stronger than many of our European members want us to give, but we are pushing very hard indeed for it.

I am committed to agreeing strong regulation for ourselves and the European Union. Some of the proposals in the regulation have led us to reflect carefully on possible impacts on the timber industry, not least on small forest owners in the UK. I understand that the Commission discounted a prohibition in its earlier deliberations after difficult internal discussions on the right way forward, but we have been talking to Commission lawyers about how we might best reflect our—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 3 July.

Business without Debate

HOME REPOSSESSION (PROTECTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

EMPLOYERS' LIABILITY INSURANCE BUREAU BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

PHARMACEUTICAL LABELLING (WARNING OF COGNITIVE FUNCTION IMPAIRMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

LAND USE (GARDEN PROTECTION ETC) BILL

Resumption of adjourned debate on Question (8 May).

That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 3 July.

ROAD SIGNS (TOURIST DESTINATIONS AND FACILITIES) BILL

Motion made, That the Bill be read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

FUEL POVERTY BILL

Resumption of adjourned debate on Question (20 March).

That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 16 October.

PROTECTION OF GARDEN LAND (DEVELOPMENT CONTROL) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

AIRPORT EXPANSION (PARLIAMENTARY APPROVAL) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

BRITISH MUSEUM ACT 1963 (AMENDMENT) BILL

Resumption of adjourned debate on Question (15 May), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 3 July.

TORTURE (DAMAGES) (NO. 2) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

CROWN EMPLOYMENT (NATIONALITY) BILL

Bill read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

PETITION

Stroke Services (London)

2.33 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I am pleased to present a petition regarding the proposed closure of the hyper-acute stroke unit at Mayday hospital. I should like in doing so to give thanks to those who made efforts to secure 2,794 signatures to the petition: Jenny Chorlton; Mirza Raza and the Muslim Shia'h community of Croydon; the Groves family; St. Mary's Catholic church, in Croydon; St. Mary's church in Addington village; Mr. and Mrs. Goddard; Conrad De Souza; Indranee Bhayro; Ella Lutchmayer of the Croydon Guyana link; Monks Orchard Residents' Association; Spring Park Residents' Association; Pat Perryman; John Wagstaff; and Mr. and Mrs. John and Shirley Trimmer.

The petition states:

To the honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled,

The Humble Petition of the people of Croydon,

Sheweth that there is just cause and need to maintain Mayday university hospital's hyper-acute stroke unit as not only is it critical to receive treatment after a stroke within 30 minutes, but also because Mayday is ranked in the top 10 per cent. of HASUs in the country.

Wherefore your Petitioners pray that your honourable House will urge the Government to preserve Mayday university hospital's funding at a level that will allow it to maintain and expand its HASU provision following Healthcare for London's review of stroke services; and will further urge the Government to prevail upon Healthcare for London to recognise the need for Mayday's HASU to remain open and to operate 24 hours a day.

And your Petitioners, as in duty bound, will ever pray.

[P000385]

Water Metering

Motion made, and Question proposed, That this House do now adjourn.—*(Kerry McCarthy.)*

2.35 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I am delighted to have this fifth Adjournment debate on the subject of water. I make no apology for that, or for the fact that I intend to focus specifically on aspects of the forthcoming Walker review of water metering and charging and their effects in the hard-pressed south-west. I welcome the engagement of the Minister and his predecessors with these debates and other opportunities too numerous to mention.

The Prime Minister has also taken a personal interest in this issue. When he was Chancellor, he met my right hon. Friend the Member for Exeter (Mr. Bradshaw), my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck)—whom I am pleased to see in her place— and me to discuss the water affordability pilot, and in Prime Minister's questions on Wednesday he again agreed to meet us, this time to discuss the findings and implementation of the Walker review.

Absent over the years from these occasions has been much in the way of any contribution from the Conservatives. To the detriment of my constituents as well as their own, that party has had minimum engagement with these important issues, as any search of the internet will reveal. Scarcely a single mention of them can be found, let alone evidence of a substantial and consistent campaign. It was therefore welcome to see one of their number initiate a debate in this House last month. There was no apology for the botched privatisation in 1989 but there was at least realisation that "something must be done". Of course as, in many other areas, they are jumping on the bandwagon of an idea on which others have campaigned relentlessly, including many Liberal Democrats and colleagues of mine.

The Walker review is very welcome and comes at an opportune time. Plymouth and the south-west have certainly experienced their fair share of difficulties in the current economic climate. I hope and anticipate that the Walker review interim report, which is due to be published shortly, will offer us light at the end of the tunnel and ultimately, if we get it right, the chance to make a real difference to thousands, if not hundreds of thousands, of hard-working families and individuals who face bills that are after all for one of the basic essentials of daily living.

Anyone who doubts the effect of these high bills should take a look at the Consumer Council for Water's recent report on living with water poverty. Its research shows that out of 14 items of household expenditure, the one for which respondents are most likely to be "sometimes or always" in debt is water. It is easy for arrears to build up so that people are no longer just struggling to meet bills, but are unable to do so, resulting in feelings of powerless, hopelessness, anger, guilt and of being worn down. It is vulnerable groups and individuals, such as lone parents, who are most likely to end up in debt. Some of the most telling evidence presented in the report is the responses from those on low incomes. They tell of how they are reluctant to flush the toilet every time, can afford to have a shower only every other day or cannot wash their clothes as frequently as they would wish.

In getting to grips with this issue, we are not only addressing water poverty, but meeting the Labour party's historic mission to tackle poverty in general and this Government's particular commitment to tackle child poverty. Earlier this year, I was pleased to host a workshop in my constituency with Anna Walker, the person charged with this important review. It was a chance for her to establish a dialogue with some of the key stakeholders in our region, including South West Water, which in recent years has become much more willing to engage on the issue. After the workshop we visited the home of a constituent of my hon. Friend the Member for Plymouth, Devonport to see first hand some of the innovative water-saving measures that have be introduced to save water and save bills under South West Water's water care scheme—a video of which the Minister can see, should he wish, on YouTube, with a link on my website www.lindagilroy.org.uk. We saw how this could be combined with advice about benefits to make a difference to that particular household, which if I remember correctly actually exceeded in value the cost of the bills that had been so troubling. That was an example of the Department for Environment, Food and Rural Affairs's pilot scheme on water affordability, carried out by eaga plc. Those contacted during the pilot reported significant results arising from the combination of benefit checks and water efficiency devices. Such measures can help to reduce the impact of high bills, but they do not make them any fairer. Like-for-like bills for use are still much higher in our region than in others.

There are a number of things I hope that the Walker review will propose in its interim report. First, sewerage works, such as those that cleaned up the south-west's beaches and cost the South West Water charge payers millions, should be seen as a public good and the costs should be shared by all regions. That should include the costs of the debts incurred to do past work. As the costs arise from servicing the huge debt that has been taken out to pay for that work, those costs should be shared in a way that recognised that.

The Minister knows that as pressures arise in other regions there is a real concern that some fix might be found for future such investments that could compound the unfairness we already experience, so I hope there will be an equalisation proposal in the Walker report. However, it ought to address the legacy costs, such as the accumulated debts. Since that is the root cause of our high bills, there is real hope that if the review makes such a recommendation—and if it is accepted by the Government—we could see some relief in our bills. I know this is a big ask, because someone—either the taxpayer or water charge payers—will need to pay the difference.

It is worth reflecting on the scale of what that could mean. The South West Water clean sweep programme cost a total of £1.5 billion in extra capital expenditure. That is £5 million each year of additional operating costs, which adds about £90 to the South West Water average bill of £454. The draft business plan published in April for the current periodic review proposes to raise the average water price by 6 per cent. above inflation by 2015. That would take the average annual south-west water and sewerage bill up to £481 by 2015.

Other companies have of course also invested in coastal works, but proportionately at a much lower level. South West Water has had to spend about 16 per cent. of the national total in coastal improvements, but the cost is borne by 3 per cent. of the population. The extra burden for South West Water customers is about £75. If the clean sweep burden were shared equally with all English customers, the South West Water average bill could be reduced by around £75 to £379 at present prices.

Although such a move might have been out of the question a few years ago, I think that similar investments that might be construed as being a national public good are being considered in other areas of service provision. It has not gone unnoticed, for instance, that the "Digital Britain" announcement last week envisages a 50p per quarter addition to our phone bills to ensure that everyone can be part of the new digital superhighways. I support that on the grounds of social inclusion, but as one of my constituents said to me earlier this week:

"Water charges in the South West are high because of the cost of sorting out the coastline sewage. This problem, which we had because of our geographic position, received no assistance from the rest of the country who rejoiced in having little or no coastline"—

I am not sure that that is something in which to rejoice, but never mind. He went on:

"Now we have a parallel situation in which people in rural areas, because of their geographic position, face high costs for broadband. But it seems that for them the problem is to be sorted out by a tax/levy on phone lines throughout the country. If we are to have this broadband levy to help the rural people should there not be a levy on all drainage users to help us pay off our exorbitant sewage charges? Alternatively, this shows that the precedent is against the broadband levy which therefore should be opposed".

I do not think that any of us want to oppose the broadband levy, because it is of such importance to future social cohesion. Digital access is vital, just as water is. Some would even say it is a human right to have such a basic commodity as water supplied for the same price in Plymouth, Cornwall and Devon as in Peterborough, Cumbria and Dulwich. There are various ways of bringing about equalisation, and I hope that the Walker report will have considered the costs of that so that we can understand them and base our arguments for social inclusion on facts.

When my hon. Friend the Member for Plymouth, Devonport, my right hon. Friend the Member for Exeter, and I went to see the Prime Minster in 2006, he said that he would work with the south-west Labour MPs to develop proposals that would help to reduce water bills for low-income households. I know that he asked his officials to consult with the Department for Environment, Food and Rural Affairs, which is, of course, responsible for implementing the water affordability pilot that was then in prospect, to ensure that it gathered information in a way that could help us to develop practical solutions. The affordability pilot gathered some evidence, and I hope that the Walker review will use it to develop some idea of what it would cost to bring real help to our constituents. That way, when we go back to see the Prime Minister, we will know exactly what we are talking about.

The Minister will know that when the all-party water group, of which I have the honour to be secretary, called for the introduction of universal water metering, Members suggested that a rising block tariff could be the basis for some socially beneficial tariffs, which could also serve environmental purposes. Of course, we recognised that there would be households that would not benefit from such a move, and that they would need to be protected. Since we wrote that report, Wessex Water has been experimenting with a social tariff. Now United Utilities Water is doing something similar. South West Water is also looking at whether a variation of the tariff could be employed in our area. I shall look with interest at what the Walker review has to say about such tariffs and the role that they might play.

I should like to see changes to WaterSure, formerly the vulnerable household scheme. It gives assistance with high water bills from a meter where the household, because of its size or because of health needs, cannot now benefit to any great extent from a water meter and would not do so in future, even with a rising block tariff. At the moment, our capped charges are £100 more than the average capped charge in other regions, which is simply not fair to the poorest households.

I would also like the regulator, Ofwat, to be required by law to be more geared up and ready to tackle the issue of affordability. It should step in more quickly and more often to help individuals, and groups such as pensioners, who find the bills too high. Along with others, I argued strongly for that when the all-party water group drew up a report on the future of the UK water sector—a report with which the Minister will no doubt be familiar. At the moment, such action depends on the Secretary of State requiring it in his guidance to the regulator at the beginning of a price setting review. That is simply not good enough; there should be a year-round duty on the regulator, year in and year out.

The all-party group suggested that the definition of "customer service" should be extended to include the most vulnerable customers, and that it should become part of the price review as a performance target, as well as a means of proactive assessment of the WaterSure tariff. That is very important, and integral to ensuring that measures designed to help the majority do not disadvantage people who are vulnerable but who use larger quantities of water out of necessity.

WaterCare, which provides benefit entitlement checks and efficiency advice, developed from the affordability pilot. It should be extended, and its services should be accompanied by help in the benefit system. The numbers of people reached by both systems, WaterSure and WaterCare, are far too small for the systems to be effective. If there was a link to a benefit, such as housing benefit—that is relevant, as water is supplied to households, of course—they could, in a targeted way, reach far more people who need help. Who should pay for that is, of course, an important question. To some extent, the costs must depend on other measures that I mentioned, such as changes to the tariff system. In the end, I am sure that the taxpayer or the water charge payer would have to pick up some of the bill. Perhaps it could, or should, be a mixture of both.

I believe that I am right in saying that the timetable for PR09, the current price review, will not prevent the Walker review recommendations from being implemented. On Wednesday, the Prime Minister indicated, in reply to my question during Question Time, that the interim report is likely to be available next week. Can the Minister confirm when the final report and recommendations will be available? Finally, before I end

[Linda Gilroy]

my remarks and allow my hon. Friend the Member for Plymouth, Devonport, to say a few words, may I ask the Minister to confirm in his response that he will meet me and a cross-party group of south-west MPs before the summer recess to discuss the interim findings?

2.49 pm

Alison Seabeck (Plymouth, Devonport) (Lab): I put on the record my thanks to my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) for calling for the debate, and acknowledge what a champion she has been on the issue of water poverty and water efficiency on behalf of our constituents in Plymouth. Her role cannot be overstated.

The Minister will know, from the importance that my hon. Friend and I place on debates and meetings on the subject, that people living in the south-west have major problems with water affordability. My postbag, weekly and sometimes daily, includes casework relating to the high cost of water. Last week I was contacted by a Mr. Carpenter, whose comments reflect the concerns held. He is the owner of a modest flat but finds the charges too high. He cannot understand why we are still paying for the clean-up of the coastline, which is a national asset and which should, in his view, have been paid for nationally. He is not unique in having that view.

That is why I, too, welcome the Walker review and know that the meeting in Plymouth, which I also attended, enabled local people to make very clear to Ms Walker and her team just how damaging the high charges are in keeping families and older people in poverty, rather than getting them out of it.

In the interests of fairness, a cap on bills at the national average would be a starting point in an equalisation process. This, along with help for the most vulnerable families and a move towards universal metering, plus the beefing-up of Ofwat, would dramatically improve the way in which water costs are spread across our community. I look forward to the publication of the Walker review and would welcome a meeting before the summer recess. I have great expectations of the Government's response to the review.

2.51 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I welcome the debate and congratulate my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) on securing it. As she points out, it is—rightly—the fifth debate on an issue of major concern to her constituents and those of my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck). I pay tribute to my hon. Friend the Member for Plymouth, Sutton in no small measure. Over the seven months that I have been in post, she has led delegations of some MPs from the south-west to meet me and advocate on the issues of poverty and affordability for all their constituents.

Let me deal with the points that were raised. I have made it clear to both my hon. Friends on numerous occasions that we understand their frustration about the fact that we have not yet seen Anna Walker's review. We are all keen to see Anna's ideas. She has done a very good job, from what I have heard. She has indeed been down to the south-west and, I think, intends to go back there. The interim report is due to be published on Monday, so the waiting is almost over.

My hon. Friend the Member for Plymouth, Sutton referred to last month's Adjournment debate on water charges in the south-west, secured by the hon. Member for East Devon (Mr. Swire), who has been part of the delegations that have come to see me. As I said then and reiterate now, I cannot pre-empt the recommendations that Anna might make in her independent review.

I am not an unfair person and I would not normally remark on this, but on an issue of such vital importance, on which delegations have repeatedly come to see me, and following Anna Walker's visit to the south-west, cross-party support for a way forward is needed. It is a Friday afternoon and there are important things to be done in constituencies, but it is disappointing, with the interim findings due to be published on Monday, that there are no Opposition Members to engage in such a critical debate. The subject is one of the most highly pressured in the UK, and we want everybody to engage and tell us how they see the way forward.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I should correct the Minister. The half-hour Adjournment debate at the end of the day is essentially the property of the Member who moves it, with the guarantee of a ministerial reply. It is not intended for widespread participation.

Huw Irranca-Davies: I accept entirely what you say, Mr. Deputy Speaker. I still have much to learn, as the years go by, in this place.

There is a good reason why the Walker review's interim findings have not yet been published. The time needed by the review team reflects the wide-ranging nature and the complexity of the issues that the review has been considering. Those include the fairest way to charge for water, the question of affordability, how water efficiency can be improved, and how the problem of bad debt in the industry can be solved.

As my hon. Friends will recognise, there are no easy solutions or quick fixes, and almost every proposed method of charging creates both winners and losers. That underlines the importance of a thorough review, underpinned by robust evidence, which I think Anna will produce. Inevitably, it has taken time to collect the evidence and to listen to the views of different stakeholders, including my hon. Friends.

My hon. Friend the Member for Plymouth, Sutton referred to the workshop that she hosted in her constituency, which I understand was very productive. I am sure that she will agree that Anna has worked hard to engage stakeholders and to collect that evidence throughout the country, including in the south-west. Despite the delay in publishing the interim report, I can assure the House that the Walker review remains a vital part of the Government's future water strategy.

A key issue that the review is considering is the fairness of different methods of charging for water. In "Future Water", we said that we believe that near universal metering will be needed in areas of water stress by 2030. The Walker review will also advise on the appropriate pace of progress with metering. Outside

areas of extreme water stress, the case for metering is less clear cut, but within those areas of high water stress there are compelling reasons for it.

Linda Gilroy: I hear what my hon. Friend says, and the south-west is not an area of high stress in the way that the south-east is. Does he agree that once one reaches a certain proportion of meters—it is now about 66 per cent. in the south-west—it makes sense to consider how to move further in order to have a sensible tariff structure?

Huw Irranca-Davies: My hon. Friend makes a valid point, and I understand that one of the things that Anna Walker is considering is whether increasing the pace of universal metering in areas where companies have already 60, 65 or 70 per cent. would make a lot more sense. As she knows, some companies have either not started at all or are very far behind the curve on this, but she makes a good point.

We believe that metering can deliver real benefits. It provides a financial incentive to use water wisely and encourages home owners to install water efficiency devices to save money. There are many wins with that approach. There is no better incentive to be water efficient. It also enables companies to design tariffs that encourage the efficient use of water and protect vulnerable customers. My hon. Friend mentioned some examples of tariff trials that are under way. The Walker review is specifically considering the effectiveness of different types of tariff, such as innovative social tariffs, rising block tariffs and seasonal tariffs.

Let us see what Anna Walker suggests in her interim review. She is also considering the costs and benefits of smart metering for water customers, and smart metering provides the opportunity to develop smart tariffs, so they go hand in hand. However, metering can incur costs. It costs money to install and read a meter, and meters need to be replaced when they wear out. Over 30 years, the cost of metering is estimated at about £30 per household per year over and above the cost of unmetered charging, although there is much variability around that figure.

Linda Gilroy: I recently had a visit from some people in connection with smart metering for electricity, and they pointed out that some of the figures have been grossly inflated because some people do not want meters to be installed. I would view that figure with particular caution and urge the Minister to do so too.

Huw Irranca-Davies: As I was careful to qualify, there is great variation in the figures that are quoted. I am not saying that that is the only figure that we should go by.

The costs are met not by individual households, but by a company's customer base as a whole. The Walker review is carefully assessing the benefits and costs of metering, and the cost-effectiveness of different approaches to metering. For example—my hon. Friend and I have discussed this—a targeted street-by-street roll-out of metering could lower the cost significantly.

The metering rate is increasing by about 2 per cent. per annum, mainly because customers are opting for meters to cut their bills. That incentive is apparent. Meters can help some customers to save money, but the Government are very aware that some customers—whether metered or unmetered—are struggling with their bills now. They include households that are on a low income but have a high, essential use of water—households that cannot resile from their high use of water—and households in areas with high water bills, notably the south-west.

Water affordability is a key issue for the Walker review. As I said in last month's debate, households in the south-west do pay more—we cannot get away from the fact—for their water and sewerage services than any other customers in the UK. That reflects the substantial investment that South West Water has made, and has had to make, since privatisation. The cost of such work has fallen on the company's customers. I am aware that 30 per cent. of our nation's beaches are in the south-west, and that South West Water customers meet the costs of cleaning up those beaches that everybody makes use of—myself included. I have to declare an interest, as I have regularly camped in the area. I do not stay in luxurious, five-star hotels; I like the outdoor thrill of camping there with my family and making use of the wonderful beaches.

Anna Walker is considering the pros and cons of paying for environmental costs nationally—the "equalisation" to which my hon. Friend referred—and I look forward to seeing Anna's interim conclusions on the issue. I also referred in last month's debate to the assistance that is available now—right now—to vulnerable customers through the Government's vulnerable groups tariff, which is also known as WaterSure. The Walker review is looking at whether that tariff should be widened and capped at the national average bill in high-cost areas. The review is also looking at whether the water care package, which has been piloted in the south-west, should be expanded, and at the role that Ofwat might have on affordability. I look forward to seeing Anna's thoughts on all those issues. The good thing about Anna Walker's review is that it is looking at those issues comprehensively, not at one or two in isolation, because it knows that they join up and that the solution will be joined-up.

My hon. Friend asked whether the timetable for the periodic review, PR09, will prevent Anna Walker's recommendations from being implemented, and whether we will therefore have to wait for the long term. I absolutely assure her that there are procedures for implementing new legislative requirements if they emerge after Ofwat PR09 water price limits. It would not be necessary to wait until the next price review in 2014.

In conclusion, I am confident that Anna Walker's review can help to achieve the Government's "Future Water" goals, which my hon. Friends share.

Linda Gilroy: How long will the consultation period be? An interim report is due out, but how long will we have to make any further views known?

Huw Irranca-Davies: I do not have a definitive date, but our initial discussions with Anna Walker indicate that we are looking for her to consult throughout the summer on her interim findings. They have a lot of meat on them and need proper consultation. She also wants to return to the issue after the summer and in the early autumn. We do not have a definitive date, but, if I seek inspiration, it will be October-ish, probably. That is not a ministerial October-ish but October as in the

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calendar. I shall have to be held to that now, I realise, but I think that Anna would like to work towards that.

My hon. Friends' proposals tie in with the Government's "Future Water" agenda, and I know that we are all intensely looking forward to seeing Anna's interim proposals after the weekend. There is only one thing that I am looking forward to as much, and that is seeing the result of the British Lions match on Saturday at 1 o'clock.

I shall of course be happy to discuss the proposals further with my hon. Friends, and with any other south-west Members who have been members of the delegation that my hon. Friends have brought to see me as part of the engagement process; and I shall be happy to do so before the summer recess. That would be in addition to, not instead of, the meeting that my right hon. Friend the Prime Minister has promised. He has, as it was pointed out, taken a personal interest in the issue, too.

I also understand that Anna will return to Plymouth on 17 July to discuss the emerging recommendations. I know that my hon. Friends will be there for that, and I thank them for keeping up—if I can use only one pun—the water pressure, politically, for their constituents in the south-west.

Question put and agreed to.

3.4 pm

House adjourned.

Westminster Hall

Tuesday 16 June 2009

[DAVID TAYLOR *in the Chair*]

Heathrow Airport Expansion

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mark Tami.)*

9.30 am

Adam Afriyie (Windsor) (Con): It is a pleasure to open this debate. First, I would like to issue some thanks. I thank the campaign against the third runway for maintaining unity in the face of a Government who seem hell bent on bulldozing the proposal through. I thank the Labour party members and MPs who, for the sake of their constituents and their beliefs, have united behind the campaign against the third runway. I thank the Liberal Democrats for being behind the discontinuation of the project to develop the third runway wholeheartedly. If you will indulge me for a moment, Mr. Taylor, I also thank our party leader and party for taking the bold decision to make it a policy not to continue with the third runway should we come into office.

I thank HACAN and the 2M group. I also thank the Royal Borough of Windsor and Maidenhead, which was one of the founding members of the 2M group, for understanding that although there are sometimes small differences between constituencies and borough councils, overall we are united in trying to prevent the third runway. I thank the bold business men who put it on the record that they were not in favour of the third runway in the south-east to hold at bay the impression the Government intended to give that business was unanimously in favour of it.

Mr. David Wilshire (Spelthorne) (Con): My hon. Friend is right to say that the business community is not totally supportive. I remind him that not every MP near the airport is on the same side.

Adam Afriyie: I recognise that. I respect the views of other MPs and hope that they are working in the interests of their constituents wholeheartedly. It is a matter of record that my hon. Friend is in favour of the third runway.

Bob Spink (Castle Point) (Ind): As always, the hon. Gentleman has started his speech graciously. He said that the Conservative party is against the runway and I welcome that. What is Conservative party policy on an alternative to the third runway? Will he fight with me and others against the estuary airport, which a number of Tory MPs from Essex, the Mayor of London and others are promoting actively? I understand that the Mayor of London has spent more than £100,000 on consultants to consider the estuary airport.

Adam Afriyie: We are in favour of considering all the alternatives with an open mind, especially given that the facts have changed since the White Paper of 2003.

Mr. Oliver Letwin (West Dorset) (Con): From the point of view of the Conservative party, there is no well-established case for an additional runway at Heathrow or elsewhere in the London area. A great part of the economic case has disappeared because of high-speed rail. Other steps could be taken to ensure that the amount of traffic that flows through airports in the London area does not grow as originally anticipated.

Adam Afriyie: I thank my right hon. Friend for making that point clear. That illustrates why I wanted to indulge in thanking our party leader and party for taking their current position. As I will explain, the Government have failed to secure virtually every leg of their case, whether on economics or the environment.

Mr. John Grogan (Selby) (Lab): The hon. Gentleman mentioned in passing the letter from business leaders to *The Times*. I do not think that he should underplay the significance of that. It is new information that has emerged since the House last debated this issue. The bosses of Carphone Warehouse, BSkyB, Sainsbury's and many other businesses concluded that the business case for the third runway did not stack up.

Adam Afriyie: I was hoping not to underplay that and will discuss it further. The letter included many well-known business men and businesses, such as BSkyB and KKR. I said that they were courageous because it is bold to put one's head above the parapet when faced with an onslaught of all the energies and powers of the civil service and Government working in favour of the opposite argument. Those businesses have my congratulations and thanks for doing so.

Mr. John Randall (Uxbridge) (Con): Does my hon. Friend agree that the six trade unions that signed up to an advert opposing the third runway were also courageous? Those were Unison, the Transport Salaried Staffs Association, the National Union of Rail, Maritime and Transport Workers, the Public and Commercial Services Union and Connect. Bearing in mind the current economic conditions, those unions recognised the importance of stopping this project.

Adam Afriyie: Absolutely. Such unity is the beauty of the campaign for reason over the third runway. There is unity across parties among those who are not members of the Government, and I suspect among some who are. There is unity among businesses and trade unions. There is a coalition of people who have the country's interests at heart, including economic and environmental interests and the interests of workers. Those of us who are against the third runway are often painted as being against economic development. That is a lazy argument for the Government to deploy. The third runway will not necessarily work in favour of the economic interests of this nation. It is neither in our environmental interests, nor in the interests of our quality of life.

I am pleased to open this debate because I want to keep this issue live. I have made the case before on a logical and rational economic basis. I have made the argument about noise on behalf of my constituents in Horton, Wraysbury, Old Windsor and Datchet. I have set out a case based on changing circumstances and made the observation that some of the information in the 2003 White Paper is 10 years old. A lot has changed

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over those 10 years. Any reasonable Government—indeed, any reasonable person—would look at the new evidence and at least question the decisions they made in the previous circumstances.

I also want to give the new Minister an opportunity to reconsider. Once he hears the various comments and observations from hon. Members, I hope that he will give just a spark of light to show that the Government are not rock solid in their decisions. He has the opportunity to indicate that there is some chance that they might begin to see reason, especially as he is fairly new to the role.

I want this debate to be an opportunity for other hon. Members to speak. There is much strong feeling and logic behind the opposition to the third runway, so I will not hog the entire hour that I am allowed. I will keep my comments as close to 20 minutes as I can. If it is okay with you, Mr. Taylor, I invite hon. Members to intervene whenever they wish.

As I said, those of us who are opposed to the third runway are often caricatured as being against any form of economic development and in favour of closing Heathrow airport and undermining it. That is not the case. As an Old Windsor resident, I know that it is infuriating to have noisy aircraft going overhead at 4.30 in the morning. Many hon. Members will appreciate that. The airport may be a noisy neighbour, but it is a neighbour nevertheless. Heathrow serves more than 180 destinations around the world and 70,000 jobs are dependent on it, directly or indirectly. There is no truth in the argument that those of us who oppose the third runway wish to see the airport closed.

Graham Stringer (Manchester, Blackley) (Lab): Does the hon. Gentleman not accept that Heathrow's position as a competitive international hub is already being damaged? The number of destinations that it can serve is decreasing, while competitor hubs such as Schiphol, Copenhagen, Frankfurt and Madrid, which have built extra runways, are increasing the number of destinations that they serve. That is bad for the whole UK economy.

Adam Afriyie: The hon. Gentleman makes a reasonable observation: the number of routes from Heathrow has declined, marginally, over the past 10 or 15 years. However, I have had meetings with BAA and British Airways, and for the past four or five years I have been asking them for a look at a model that mathematically or even logically demonstrates the minimum number of destinations that would constitute a viable hub. So far, that number has not been forthcoming. I understand the reasoning that a hub is needed for international transfer in order to keep routes open, but I cannot see any direct evidence that Heathrow has suffered from that marginal reduction in routes over the past several years. I am a reasonable person; I am the shadow Minister for Science and Innovation. If the evidence existed that the hub would fall apart if the number of destinations were to fall below 130, for example, I would certainly accept it, but it simply does not exist at the moment.

John McDonnell (Hayes and Harlington) (Lab): The hon. Gentleman will be aware that BAA itself has briefed us for debates on the Floor of the House that even without a third runway, the number of passengers will expand to as many as 94 million. There will be dramatic growth even without a third runway.

Adam Afriyie: I have seen those numbers. The hon. Gentleman makes the point eloquently and accurately.

Mr. Julian Brazier (Canterbury) (Con): I am most grateful to my hon. Friend for giving way repeatedly during his eloquent speech. It is extraordinary that the aviation industry should argue, and even find supporters for the argument, that the loss of a few of the thinnest routes and their replacement by more planes on more popular routes should somehow constitute a threat to the British economy. Where is the evidence? If the industry cannot do better than the Oxford study, it should not be trying to put the case at all.

Adam Afriyie: In addition, the pro lobby often makes the observation that the hub is Heathrow. A strong case could be made that the five airports in the south-east together form a hub.

Susan Kramer (Richmond Park) (LD): On that point, does the hon. Gentleman agree that the period during which Heathrow has concentrated on a slightly narrower range of destinations has been matched by a period of rapid economic growth in the London area, the turnaround of the London population and the establishment of such a solid financial base that it seems to be coming out of the financial crisis rapidly?

Adam Afriyie: That is an astute observation. If one is looking for correlation, the correlation appears to be between insufficient capacity at Heathrow and in the south-east and a boost in economic growth. We must be careful about how we use figures, and we must be particularly cautious about the Government's use of them.

Mr. Letwin: Will my hon. Friend confirm that in all the projections on which the Government have relied so far, there is a thundering silence about the effect of high-speed rail on passenger growth? Without that, there is clearly no serious study.

Adam Afriyie: That is right. My right hon. Friend brings me to a key point that I will be making in a few moments. Without serious consideration of the alternatives of the past couple of years—not 10 years ago—the Government's bulldozing through of the proposal can be taken more as an act of political positioning, which might be backfiring on them, rather than a genuine search for the best solution for our country.

There is no doubt that Heathrow is in the wrong place. Were we to start today, I am sure that we would not put a major airport with 480,000 flights a year right in the heart of a populated area. If we were starting now with a new project for an international airport that might arguably be a hub, we would look to position it where noise levels would not disturb people, in a location more easily accessible by high-speed rail or existing road infrastructure.

I note that France's main airport was moved twice in a period of 20 years. I am not suggesting at all that we should move London Heathrow, because so many jobs

depend on it, but it shows a lack of ambition that the Government cannot envisage or even entertain the concept that a new airport could be forthcoming elsewhere, in a better location linked by high-speed rail to existing airports and city centres.

I must celebrate on behalf of my constituents in Windsor. I am delighted that the Cranford agreement is no longer in existence. I will not dwell on that point, as I recognise that if BAA decides that it wishes to rebalance flights across the area, that simply means that other areas may well be adversely affected by larger numbers of flights. I suspect that the Transport Secretary's announcement is a trap by the Government. I think that he is hoping that the unity of 2M and of MPs around the south-east will be broken if Windsor begins to argue that the abolition of Cranford should be implemented immediately.

I do not think that we will fall into that trap. I shall certainly be pressing BAA as to what its plans are to implement it—I have been doing so on behalf of my constituents and will continue to do so—but there is no way that I will break the unity of the campaign against the third runway, for two reasons. A prisoner may be tempted from his cell with the question, "Would you like to stretch your legs, sir? That's a nice benefit," only to realise a little later that he has been let out in order to be hanged at the gallows. In a way, the announcement could be seen as part of a plan of creeping encroachment to put the criteria for the third runway in place. The other thing to bear in mind is that even if the abolition of Cranford were implemented fully, any benefits would be negated immediately by the extra 220,000 flights a year. We must be careful what we hope for while working in our constituents' interests.

I shall run briefly through the criticisms of the Government's case, because on every count the case falls over or is at least deeply questionable. The Government have argued that there is support from the entire business community. As we have seen, businesses are not united in the desire for a third runway at Heathrow. Indeed, business men have been bold in putting their heads above the parapet to say that they are not in favour of it at all. At best, the Government can argue that some businesses—I suspect that BAA might be on the list—are interested in a third runway at Heathrow.

The second count is an environmental one. The Government say that they have put conditions in place so that the third runway cannot be used to full capacity unless the environmental concerns—they involve nitrogen dioxide more than CO_2—are met. However, that seems absolutely bizarre. If they are saying that the third runway cannot be used to full capacity initially, that completely undermines the economic case, or would if there were one. A partially used third runway will not deliver the benefits that the Government argue, on the basis of the Oxford Economic Forecasting report, will be delivered. There is no doubt that hitting nitrogen dioxide targets will be a stretch even in existing circumstances, and any reasonable person who looks through the numbers and projections will recognise that a third runway would merely add to the problem.

Mr. Nick Hurd (Ruislip-Northwood) (Con): My hon. Friend is focusing on NOx, but he will know that the elephant in the room is carbon and climate change policy. Does he understand the confusion in my constituency? People are coming up to me to say, "Hang on a minute. On one hand, the Government are telling us that climate change is the most important risk of our time, and on the other, they're giving a green light to the fastest-growing source of emissions. How do we make sense of this?"

Adam Afriyie: There can be no greater contrast, especially as the Government do not even attempt to say that the building of a third runway will help towards their goal of reducing carbon emissions in the short term. It seems rather bold and impressive of the Government to tie us into targets 40 years from now, when—I had better be careful what I say—many hon. Members may no longer be in this place. On the other hand, the Government's actions in the short and medium term will lead to an increase in CO_2 and nitrogen dioxide emissions. We recognise that technology moves on and that some of the new aircraft in development, although not the fantasy aircraft that have been mentioned, will improve emissions. However, there is no way, looking at the charts and calculations, that they can deliver those improvements in time to meet the goals that the Government have set.

On quality of life, I refer to an observation that I made about four years ago in a civil aviation debate and in one or two other debates. Often, it is not the average noise made across a noise-quota period that causes disturbance, but the noise of an individual aircraft that wakes someone during the night and ruins their quality of life for the following day. Something else needs to be looked at here: it is not only aircraft movements that one needs to take into account, but the reality on the ground. The simple testing of noise in aircraft hangars and the theoretical testing of aircraft engine noise is not enough. I urge the Minister to attempt to address that point.

Anyone who travels up and down the M4 will know that it is constantly congested, even in the current economic downturn. Similarly, anyone who drives around the M25 will know that, even with six lanes in places, it is still constantly congested. Clearly, there is a problem with road access to Heathrow, and that has not been addressed in the Government's case so far.

Mr. Brazier: My hon. Friend is making a powerful speech. Surely there is a further point about not just aviation carbon emissions, which my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) has mentioned, but ground emissions. Even if a high proportion were, as some argue, to be displaced elsewhere, there will be more ground emissions as more people get stuck in congestion in the south-east instead of using regional airports, which have been growing healthily.

Adam Afriyie: The point is well made, and I shall not labour it other than to say that in the absence of high-speed rail linking domestic locations, it is very difficult to see how any of the targets, even for future generations, can possibly be met with the existing road network, even with the modifications that the Government have suggested.

On noise, there has been a lot of noise from the campaign against the third runway, and a lot of noise from the Government arguing a case that seems untenable. As the shadow Minister for Science and Innovation, it

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seems to me that one must base one's judgments on evidence and studies as far as one can, where such evidence is available. The Government commissioned the ANASE—"Attitudes to Noise from Aviation Sources in England"—study, which, even though the data range was, to a certain degree, fixed to include noisier aircraft from the past, concluded that people are more irritated by noise than they ever were. What did the Government do? They simply said that the study was marginally flawed and that they were not going to pay much attention to it. That is not the behaviour of a Government who want to engage in rational and reasonable debate to find a solution to the challenges.

Mr. Hurd: Following on from the issues of noise and increased road congestion, particularly on local roads in Hillingdon, there are also health implications. Does my hon. Friend share my concern that there has been no local health impact assessment and that Hillingdon primary care trust has not been consulted on the expansion of Heathrow?

Adam Afriyie: Absolutely; this is a fascinating story is it not? It is bizarre that every Government who wish to appear to be caring and to work in the interests of the economy and people's quality of life fail to consider the health impacts. I hope that the Minister has a sensible and reasonable answer as to why the Government do not wish to look into the health of people in and around the airport.

I return briefly, as we have already covered it marginally, to the concept of hubs. I have spoken to BAA and BA, I have scoured the internet and I have researched the issue as best I can to try to work out mathematically and logically, on whichever calculation should be used, what constitutes a hub and whether the five airports can be considered part of a hub. So far, I have failed to come up with anything other than people's bold assertions that if we have two or three fewer destinations, the whole thing will crumble. However, with the projections for just the existing two runways, we are already hitting the flight limit of 480,000 flights, so the evidence does not seem to be there.

There is also the issue of transit passengers and what contribution they make to the UK economy. I do not have the quote to hand, sadly, but several notable people have pointed out that simply having the wheels touch down and people transit to another country does not add much to the UK's gross domestic product. Indeed, it does not add a vast amount to BAA's revenue. One must consider that BAA is merely one company of thousands in the UK, and one has to look at its profits and revenue in the light of those of other organisations.

Mr. Wilshire: I have heard time and again the argument that transit passengers are only worth a cup of tea. Does my hon. Friend accept that if 35 to 40 per cent. of passengers—indeed, well over half on some flights—are transferring through Heathrow and going out again on different flights, many flights would not be economically viable, and more routes would be lost, if that were to change?

Adam Afriyie: I do not say that there is no value from transit passengers; I merely observe that there is little value from them directly to the UK economy.

There are a couple of broader arguments that we sometimes overlook. If we are saying that the UK aerospace and airport industries, or even BAA, the Spanish company, would suffer from a gradual reduction in the number of routes—not that that will necessarily continue—can we not look at the issue more broadly? If we think that transit passengers will begin to go via Schiphol or other European airports, what is to prevent people from investing in airports elsewhere?

Mr. Letwin: I am immensely grateful to my hon. Friend for giving way; he has been very patient with interventions. May I urge him to consider that, as far as we can make out, as the Government have never produced a study that has shown this definitively, a high proportion of so-called transit passengers come from other parts of the UK and transfer to flights out of the UK? Again, with high-speed rail links into Heathrow, a great number of those passengers will find their way to Heathrow and take off on the same flights, but will not have to come in on a flight to Heathrow. Do we need clarification from the Government—

David Taylor (in the Chair): Order. Interventions are getting increasingly long.

Adam Afriyie: I thank my right hon. Friend for making that point very clearly and, I thought, rather succinctly, but I accept the steer of the Chair in these matters. I shall attempt to bring my remarks to a close in approximately two to three minutes.

Susan Kramer: May I make a point speedily? Does the hon. Gentleman agree that many other hub airports across the world operate with something like 20 per cent. transit passengers and find that more than sufficient? Heathrow is out of the league altogether in trying to go for 35 to 45 per cent. transit passengers.

Adam Afriyie: I accept all those observations, particularly about high-speed rail. If a large number of transit passengers are from within the UK, it makes complete sense environmentally, and probably economically, for them to come to Heathrow that way or to fly direct, point to point. I have been in business for many years before becoming a Member of Parliament and to try to second-guess the detail of somebody else's business model is never a wise idea—although it is, of course, interesting to make observations on it.

Graham Stringer: I know that the hon. Gentleman takes looking at the objective facts about aviation and the airport system in the south-east seriously. I suggest that he looks at international experience, and the experience of Glasgow where they have tried but failed to use more than one airport as a hub. In Toronto, Washington and Glasgow such airports eventually had to be consolidated.

Adam Afriyie: That is a fair observation, but if we look at various places around the world, we could make all sorts of observations—for example, the Government have tried to harangue and make light of the idea of having an airport offshore somewhere. However, Hong Kong has managed very well to have such an airport. That should certainly inform our debate.

There is also a world trend towards point-to-point travel, but if one looks at the examples in the United States we see a different picture. That is why the issue of aviation is not as simple as the Government try to make

out, why a hub is difficult to define and why no one has managed to come up with a proper tangible or robust definition.

Mr. Wilshire: My hon. Friend mentions Hong Kong and makes the point well that the new Hong Kong airport flourishes and is wonderful. The old Hong Kong airport is a golf driving range.

Adam Afriyie: Wonderful. I hope that my hon. Friend has played golf on the range.

Mr. Wilshire: But my hon. Friend does not want to shut Heathrow.

Adam Afriyie: Okay. As I said, no one is arguing for Heathrow to be closed down, and I do not want the debate to be characterised in that way. We are happy with the level of employment there and we hope that the levels of noise and pollution are reduced.

The Government have not studied the alternatives properly in light of the developments in technology and the proposals put forward for high-speed rail. Various models have been put forward and it is time for the Government to step back and give them consideration. The Government have not properly looked at the alternative of having a new airport. If air travel is to double over the next 20 or 30 years, none of the airports will be able to take that level of capacity, so surely now is the time to have a bit of vision and look towards the long-term rather than the short-term goal.

Briefly, I have the following questions for the Minister. We are going through a massive economic downturn at the moment and air travel has been declining—I think there was an 8 per cent. reduction in the last month of 2008. That buys us a window for decision making and, on that basis, I urge the Minister to step away and perhaps give us a chink of light—a possibility that the Government will reconsider the matter. Is the Minister honestly confident that the Government can meet pollution targets if we have a third runway at Heathrow? Is he genuinely confident of that? Have the Government recently—not five or 10 years ago—looked seriously at the alternatives to expansion at Heathrow? If I go back to the ancients, I think the Greeks said that we can win the argument or get our way by force, trickery or persuasion. I have seen a lot of force and a little bit of trickery in the Government's argument. Will the Minister now resort to the means of persuasion, rather than using more brutal methods?

10.3 am

John McDonnell (Hayes and Harlington) (Lab): I thank the hon. Member for Windsor (Adam Afriyie) for initiating the debate. I agree with him: we should use the debate as a progress report and as an opportunity to consider some of the issues again so that we will perhaps get some assistance from the Government on how we can move forward.

The hon. Gentleman has covered the economic arguments. The intervention of the business sector—the representatives who came out against the expansion—was catastrophic for the case of the Government and BAA. May I update him on the union side? During the past week, we gained another union when the Communication Workers Union came out against the third runway at its conference. There is mounting trade union pressure against the development of the third runway. On the economic arguments, it is interesting to note that the Government and others are preparing alternatives in terms of high-speed rail—there is the Government's HS2 development study and, obviously, 2M is now looking at the high-speed north link. Those matters have moved on.

On the environmental impact, the Committee on Climate Change will look at reducing the CO_2 emissions of aviation to below 2005 levels by 2050, and it will be reporting in December. Again, that study will look at the modal shift and—exactly as the hon. Gentleman has requested—will provide the Government with the opportunity to stand back at that stage and see whether the target of reducing emissions can be achieved with the expansion of Heathrow.

On noise, BAA's plans on the reduction of the noise impact are now being produced in a consultative form. Having looked at the draft, I know that much of what has been said in the draft proposals is not much different from what is happening at the moment. Many of us cannot see what the visible impact will be as a result of the plans being introduced. In addition, there has not really been any movement on air quality because it now seems that Heathrow will remain an air quality hotspot into 2010. The Government will look for a derogation from the EU limits that come into force at that stage, and yet no quantifiable measures have been put forward to mitigate the air quality problems in our area. If the Government are to seek a derogation, they must at least put forward some form of a plan. However, there does not seem to be anything forthcoming.

The hon. Member for Ruislip-Northwood (Mr. Hurd) made a point that has also been made by hon. Member for Uxbridge (Mr. Randall) and me when meeting the local primary care trust: we have had no information about the health impact assessment that is supposed to be undertaken by the Government. That was promised to us on the Floor of the House by the Secretary of State. The PCT has not been approached, and there has been no consultation or discussion. We thought that, at least at this stage, we would be examining the brief for that health impact assessment because our constituents need some assurances about that matter. We have seen the issues that have come from the Chicago study with regard to cancer and we have had survey after survey in the areas around Heathrow about the respiratory conditions from which our constituents suffer. It behoves the Government to come rapidly into discussions with the PCT and bring forward the proposals on the health assessment.

On the question of who will cover the cost of the expansion of Heathrow, the situation gets worse. Demand for air travel is plummeting at the moment and the aviation industry is, in some sectors, in crisis. It does not inspire confidence that there was a story in *The Guardian* business pages over a week ago that BAA has approached the Government to talk about what happens if it goes into administration. It has asked for the arrangements to be changed so that the Government no longer appoint the administrator—it has asked for it done by BAA or whoever its successor is in terms of ownership.

As I say, that does not inspire confidence, but it also worries me because it raises fears that the Government will be forced to subsidise this development. We know

[John McDonnell]

that if the development goes ahead, the Government will have to pay for the collateral damage that will impact on local communities—the shifting of populations, the new schools that will be needed and the creation of new communities elsewhere for people to live in. We now believe that there will be direct subsidy as a result of BAA's precarious financial position and the precarious position of Grupo Ferrovial globally, and that the development itself—the construction of the runway and the terminal—will have to be subsided. Again, I do not think that that information was available to Members when the decision was made by the Government earlier this year. I say to my hon. Friend the Member for Manchester, Blackley (Graham Stringer), who is not in his place at the moment—I know that he has other business—that if we have to intervene on any significant scale to subsidise the expansion of Heathrow, it will impact on the Government's transport investment programme for the next decade.

On the legal challenge, letters of action have gone in and we will know the decision on whether a judicial review will take place in the next few weeks. I believe that it will take place and that we will be in court in the autumn. That case will inevitably drag on for a time. I say to the Government that the information that will come out will expose not only their argument, but the collusion that has gone on between BAA and the Government at various levels. On the planning process, we are now told that BAA will not even be in a position to put forward proposals about what could be laid before a planning inquiry until late 2010 at the earliest.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): Is this not the nub of the issue? By the time we have a national policy statement it could be 10 years from when the White Paper on aviation was published, yet that is still the key document on which everything is based. What has been said today has shown that so much has changed that surely we need an independent review of aviation policy, on which the planning process can be based.

John McDonnell: That is exactly the point. It has been made on a cross-party basis repeatedly over the last few months as we have come to know more clearly not just how the aviation White Paper will be converted into some form of national policy statement but also the fact that we will have no say about it on the Floor of the House. There will be no vote on the national policy statement itself. We have been told that it may be ready for consideration by April 2011 at the earliest.

The process that we are involved in now is an absolute pig's breakfast. There is mounting unrest and protest, and people are not accepting the Government's decision because they do not believe that they have in any way participated in consenting to it. In Iran, demonstrations have resulted in even the Supreme Leader getting the message. Perhaps we could take a message back to our supreme leader, Lord Mandelson, the First Secretary of State, that we have a problem here. Perhaps that message could go out from this debate, because we need rationally to stand back and see where we are.

Let me briefly outline what the uncertainty, which is worsening, is doing to my constituents. The uncertainty and blight mean that they cannot plan for their future. They live under the threat of the loss of their home and the destruction of their community. They cannot plan the basics of life. Their homes are threatened with demolition, but they cannot plan where they will live in the long term. Those in Sipson and other parts of the area where it has been confirmed that BAA's plans will involve demolition have been offered a bond scheme to pay for relocation—not compensation but simply payment for relocation—but it will be implemented only when the planning application is submitted. That could result in another year or more of uncertainty for them.

BAA refused to attend a public meeting that I convened. I spoke to the then Secretary of State, and BAA eventually decided to come. It told us at that meeting that it wants to bring forth implementation of the bond scheme. We were told that that would be done in weeks, but residents associations at the meeting said that they had been told that six months earlier. We have heard nothing further. Why? Because BAA is dependent on individual airline industry companies standing to cover the liabilities of the bond scheme if it is implemented earlier, and it cannot get agreement among them.

For those who live in the other villages of Harmondsworth, Harlington, Longford, Cranford Cross and, yes, parts of Hayes itself, there is no scheme on offer whatsoever to pay or compensate for relocation. People do not know where the final boundaries of the airport will be or even whether their homes are threatened with demolition. They do know that their homes will be rendered unliveable as a result of noise and air pollution, but they have not been offered a penny except for limited amounts of support for additional insulation, which will fail to protect them.

Because schools are to be demolished or rendered unusable, families cannot plan the education of their children. Because there is no binding commitment on whether a road will go through our local cemetery at Cherry Lane, we cannot even plan where we bury our dead at present. Local businesses, some of which are small businesses, will be affected. Jacqui Clarke, the local hairdresser who lives above her shop, will get nothing; there is no compensation for her. Several local businesses are in a precarious position because they cannot plan for long-term investment in their businesses, and that will impact on local employment.

We know from the Government's figures that 2,000 people will be relocated, but more likely it will be 10,000—the largest evacuation of people in living memory, given what we know from studies done in the 1990s. The Government's response up until now has been that it is up to individuals themselves to plan their future. The then Secretary of State said that at a public meeting that we had with local residents. Well, they cannot. The alternative is that it is up to local authorities, Hillingdon in particular, to plan for the development of new communities and the relocation of individuals, but local authorities have had no guidelines from the Government. There has been no consultation or extra resources for Hillingdon to enable it to start the planning process.

My constituents have been left in limbo. Most want to remain, but they want to know what their position will be in the future. They want a secure future. Some inevitably have to move—families grow up, or the elderly may want to relocate to live with their families elsewhere—but they are trapped because the bond scheme cannot

be implemented, the Government's decisions have been so tentative, and the process is so long-winded and insecure.

Residents are protesting. They resent how they have been treated as a result of their peaceful protests. They have been harassed by police, and photographs and films have been taken of them. They want the evidence that has been collected to be given to them or destroyed. They are not criminals; they have simply been involved in peaceful protests. The use of anti-terrorist legislation to stop people photographing homes that will be demolished is extraordinary behaviour and an inappropriate use of legislation.

Yes, there is anger at the Government's decision—of course there is—but people are worried about their future. That is fuelling a growing fury at the way in which the whole process has been handled by the Government.

Finally, we still have not had a single Minister visit any of the villages to meet local residents. That is an abrogation of ministerial duty and the Government's responsibility to my constituents. We will continue to fight the proposal, but we expect to be treated in a manner that respects people's concerns about their future. We will continue to protest and to demand a change in Government policy, and I make it clear that at the next election, whatever is in the Labour party's manifesto, I shall stand on a manifesto that opposes the expansion of Heathrow. The democratic wishes of the population around Heathrow should be respected.

David Taylor (in the Chair): Order. Two hon. Members are seeking to catch my eye. Please bear in mind that there are 14 minutes left before I call the Front-Bench spokesmen. I call Mr. John Randall.

10.16 am

Mr. John Randall (Uxbridge) (Con): Thank you, Mr. Taylor. I shall try to keep my remarks short in order to ensure that we hear at least one person from the other side of the argument.

It is a great honour to follow the hon. Member for Hayes and Harlington (John McDonnell). I was glad to hear him say that he will stand on a different manifesto, because standing in his constituency on the manifesto that the Government will put forward would, I am afraid, be dramatically difficult.

I congratulate my hon. Friend the Member for Windsor (Adam Afriyie) on securing this debate, because we need to be constantly updated. One of the great shames of the last reshuffle is that we now have a Secretary of State for Transport who is in the Lords. When we actually have a debate on the subject on the Floor of the House—they are relatively few but have been forced from time to time by Opposition parties, and there has been the odd statement—we will not be able to question the Secretary of State to find out what is happening. I know that the Secretary of State is an honourable man, but it will be difficult for us to explain to our constituents, many of whom are bitterly opposed to the expansion, that we do not even have the democratic right to question the person who will ultimately take the decision.

Mr. Slaughter: I agree with the point that the hon. Gentleman is making. He is right to say that the noble Lord is an honourable man; he is also known as a rail man. He has been kind and courteous to me in visiting west London whenever I asked him to visit schools in the area. Perhaps we could make a joint approach to get him to make the kind of visit that my hon. Friend the Member for Hayes and Harlington described and to see the sites of devastation that his policy is creating.

Mr. Randall: I agree with the hon. Gentleman about the Secretary of State. He was always courteous and helpful when he was a Schools Minister, and he is very much a fan of rail travel. I find that encouraging, particularly as that seems to be the way in which the argument is going.

There is no need for me to repeat in the limited time left all the arguments that we have heard. All I will say about the situation is that it is exactly the same in my constituency. My constituents, particularly those in West Drayton, are suffering exactly the same problems.

I just cannot get my head around the fact that we are constantly being told that climate change is the greatest threat facing the planet, yet here we have a Government who are proposing something that will not reduce emissions but actually increase them. I can never get an answer from the Government on how they can justify that. It is absolutely appalling.

The hon. Member for Castle Point (Bob Spink) has done his usual trick of making an intervention and whizzing off, but I would say to him that I am opposed to any development in the Thames estuary. I have said from the outset that if we oppose in our area the expansion of Heathrow, the traffic should not go somewhere else—for example, to Gatwick or Stansted. It is not fair to dump the problem on somebody else. We as a nation have to tackle the problems of aviation, including its increase, because nobody wants an airport in their back garden. We have had that happen in Heathrow. I have to say to the Minister that I get fed up with people—not necessarily the Government—saying, "People who move there know it was there." That does not apply to lots of my constituents, including my family. My mother was born in the constituency a long time ago, when Heathrow was just a market gardening area. So it is wrong to say that we knew what was going to happen. We have lived with it in our back garden and now it is at the back door. That is what is really so galling for us.

The Government keep talking about listening to people and going on about how they want to change everything and get people involved. This is an ideal opportunity for them. The argument is falling away rapidly. If they could bring themselves to be brave and courageous enough to say, "This is not the time. We cannot go ahead with it. We got some of the arguments wrong," I would salute them. But, unfortunately, I know that they will not, because I can see that, given the way they have run this country for the last 12 years, they do not listen to the people.

There is one message. We should have an election and let people make their own minds up about whether they want this Government and whether they want this third runway.

10.21 am

Mr. David Wilshire (Spelthorne) (Con): Having 51 minutes versus nine minutes is a bit of an imbalance when putting such cases. May I congratulate my hon. Friend the Member for Windsor (Adam Afriyie) on securing this debate? Had he been a bit more astute he could have got the second debate, in which case I would have been in the Chair and therefore silenced. I am sorry about that.

The House knows my views, Mr. Taylor, so I will not bore you by repeating them. I will just say that they are the same as they always have been. I shall, as I always do, see if I can agree with hon. Members, first of all. I agree with my hon. Friend on three things. First, some of us will not be here in 40 years. At my age, I think that that is a fair assumption and I agree. Secondly, he said that Heathrow is in the wrong place. Yes, it is, but we cannot say, "I wouldn't start from here." We must start from where Heathrow is. But I agree with him. Thirdly, he said that he welcomed the disappearance of the Cranford agreement. I agree with him on that as well.

I like to call the hon. Member for Hayes and Harlington (John McDonnell) my friend, because he is my neighbour and we have never argued with each other nastily and I appreciate that. I agree with him. He has problems with his party line and I am in the same position, so we have something in common.

I also agree with my genuine hon. Friend the Member for Uxbridge (Mr. Randall)—a real friend—who says that the Secretary of State should be in the House of Commons.

As far as I am concerned, the position remains the same. Provided that the real environmental issues can be overcome, I am still of the view that Heathrow needs another runway; the need is now more urgent than it was. I accept that there have been changes since the last debate. The economy has made life more difficult for everybody. I realise that the amount of air travel is decreasing. I am conscious of the issue of whether Ferrovial will be able to finance the project in the current climate; but I do not know about that. The forced sale of Gatwick and Stansted has come into the equation and will have some impact. In addition, as the hon. Member for Hayes and Harlington said, any legal challenge could slow the process.

I am a realist. I see what is going on. But my views are not just mine; they are the views of the majority of my constituents, which is probably not surprising, because of all the boroughs around Heathrow mine has the highest percentage of people working directly at the airport. My view is also shared by my local council, which is not represented by the 2M group, despite its claim to represent everybody around the airport.

The reasons are fairly obvious, but in the little time that I have may I comment on one or two things that my hon. Friend the Member for Windsor said? He started by saying that there were 70,000 jobs at Heathrow, directly and indirectly. With the greatest respect, that is not so. There are 70,000 jobs inside the boundary fence and at least as many again outside depend on the airport, directly or indirectly. So the number of jobs is probably double the figure that he gave us.

My hon. Friend suggested that destinations do not matter, but they do. People only have to talk to the airlines to get an answer on that. It is not surprising that the airlines will not put in the public domain the routes that would be under threat if Heathrow declines, because if they were to announce that routes were dodgy, people would go somewhere else and it would be a self-fulfilling prophecy.

My hon. Friend also said that there can be growth without another runway, but one of the big arguments about another runway at Heathrow is not about growth. I know and accept that growth is involved, but growth based on the existing runways is related to the larger-aircraft issue. It is not just about the growth of the other airports, but about the need to solve the problems of delays, circling and lost baggage, all because the two existing runways are vastly overused and any delay produces lots of cancellations. There is an opposite argument to be made in that regard.

My hon. Friend also mentioned a five-airport hub. I do not think that there will be many volunteers to fly into Gatwick to get a bus to Heathrow, en route to somewhere else. Instead, people would go to Schiphol, Frankfurt or Charles de Gaulle and save making a bus journey between airports.

A lot is made of the economic case and much is said about the Oxford Economics report, which is now out of date. I have Oxford Economics' new report, which has just come into my hands, although I must be honest and say that I have not had a chance to read all of it. But, again, it is new information and it deserves study. I think that we will find, from what I have seen so far, that it reinforces the economic case for another runway.

My hon. Friend said that he did not want to close Heathrow, but also said that there is a need for a new airport somewhere else. One only has to look at the experience around the world.

Adam Afriyie: I am not sure that I said quite that. In fact, I am not sure that I said quite what my hon. Friend said I did in respect of the other points that he made. I was not arguing for an airport elsewhere; I was arguing for the alternatives to be looked at seriously.

Mr. Wilshire: Okay, if one looked at the matter seriously and decided that it would be a good idea to have another airport elsewhere—I take my hon. Friend's point that he did not say that he wanted one—the idea presumably would be to have one. Looking at the rest of the world, in Montreal, for example, where they have done just that, the new airport is now being closed because the old one is still open and everybody uses it. In Hong Kong, which I have mentioned, and in Denver, the old airports were shut and the business was transferred. That is the way that a new airport can be made to work. Let us not hop about. A new airport somewhere else replaces Heathrow: it does not complement it.

On using runways to full capacity, we did not get a definition of "full capacity". At the moment, we are running at 99 per cent. capacity, which is causing problems. The airports elsewhere, which are Heathrow's competitors, are running at about 75 per cent., which they think is about the capacity that is justified to offer a decent service. The same argument applies at Heathrow.

Carbon emissions are mentioned regularly. Yes, if the world can come to an agreement that everywhere will do something about carbon emissions, that is a case to follow. However, if one says, "We unilaterally will do

something that will harm the British aviation industry while everybody else doesn't bother," why should we want to undermine our own economy and watch other people benefit from that point of view?

On high-speed rail, the best figure that I have, which is recent, shows that no more than 11 per cent. of transfer passengers using Heathrow are domestic passengers. If we take 11 per cent. as the only number involved, not all of them will use a high-speed rail link, so not many people will not take flights and instead get there by train. That would be an awfully big investment to make to solve nothing much of a problem.

Mr. Randall: Many people who currently fly into Heathrow from other parts of the country and are not in transit would be coming by high-speed rail.

Mr. Wilshire: That is highly unlikely. These figures are the best one has in respect of passengers in the domestic market coming into Heathrow. That market is not big. Almost all the flights are international. The number of regional flights is declining as ever more people go from regional airports to Schiphol, Amsterdam and Charles de Gaulle. That is another reason why not much is done about carbon emissions, because somebody makes the same flight but goes to a different destination. In addition, the great bulk of transit passengers is not from the United Kingdom, as I have just said. Those are the brief responses that I can give in the time available.

We are in an economic downturn, which is hurting all of us and includes hurt to Heathrow and the airlines that use it. Instead of putting off the runway issue, that is an argument for bringing it forward. Unless the hon. Member for Hayes and Harlington is correct, no public money is involved. If there were I would rethink the matter, but at the moment, no public money is on offer. The project would provide 6,000 or 7,000 construction jobs when we desperately need jobs, and Heathrow would be ready to benefit before anyone else when the upturn comes.

10.30 am

Susan Kramer (Richmond Park) (LD): I congratulate the hon. Member for Windsor (Adam Afriyie) on securing this debate. I speak on behalf of the Liberal Democrats, and also my constituents in Richmond Park, who are utterly determined to continue to resist the third runway. They are glad that Members of Parliament are continuing to find different mechanisms to ensure that the matter remains on the public agenda, and that Ministers continue to answer their questions.

We have had a change of Secretary of State for Transport and the complete ministerial team, and I hope that that will be an opportunity to rethink past decisions, particularly as some key members of the team have a track record and expertise in transport, which could not be said of the previous Secretary of State, whose speeches about Heathrow were described as disgraceful, and rightly so. I hope that the change will be a new opportunity.

I am glad that we have had a statement from the Conservative party on its policy on a Thames estuary airport. The local prospective parliamentary candidate in my constituency has written to the papers arguing for the closure of Heathrow and its replacement with an estuary airport. That would definitely be a wrong decision. An estuary airport would have four runways, the climate change implications would be phenomenal, and the impact on the surrounding area and the loss of jobs would be dramatic. I am glad that we have had clarification on that.

Several hon. Members referred to financing and it was pointed out that the recent economic recession has changed the picture. Obviously, the impact of BAA's financial condition on its parent company has raised genuine concern. The recession has hit the aviation industry extremely hard, but I hope that the new administration that is examining transport issues will consider the financing issue more closely. The various statements to justify rejecting most of the comments and protests during the Heathrow consultation suggested that environmental safeguards had been put in place to limit use of the third runway to half capacity or, if the appropriate aircraft were not available, to prevent it from opening. I see no way in which any financial institution would fund around £16 billion in construction and financing costs with that possibility on the horizon without Government guarantees or letters of comfort plastered all over it.

I have received letters from the Department saying that that has not been discussed or even contemplated, and that it would never happen, but we need reassurance. All those issues are reinforced by the current financial pressures that the aviation industry and BAA specifically are facing. I was interested to hear that our one voice so far in support of the third runway is concerned about public money and resources being pumped into the third runway proposal.

Many of the comments that have been made, particularly those from the hon. Member for Hayes and Harlington (John McDonnell), covered the issues that I would like to cover, so I shall limit my speech and align myself with those. The blight that faces the hon. Gentleman's constituency is totally unacceptable. There is great anxiety among my constituents after suddenly learning that the national policy study for aviation will not appear in draft before 2011. My constituents fear that that will leave a period in which BAA may make an application and ask for it to be dealt with under a different regime, which might be much more favourable to a yes answer, rather than raising even the relatively weak questions that would arise in an aviation national policy statement.

Residents living under the flight path need a lot of clarification on the process. The timetables that we have been able to download from various Government websites seem to be completely irrelevant to trying to understand what the procedures will be. Serious local concerns arose from the residents' meeting with the former Secretary of State for Transport, and the current Secretary of State in his then role as Minister with responsibility for railways, which failed to address local traffic issues. That contributes greatly to air pollution in the area, but the answer in every case was, "We are not considering that; it is for local authorities to do so." That was extremely disturbing because we will almost double the number of passengers at Heathrow, and consequently the number of people trying to reach Heathrow, many of them by road. Business leaders have been courageous in finally coming forward and exposing the hollowness of many of the arguments, and I associate myself with all those.

[Susan Kramer]

I am conscious that other hon. Members want to speak, and I am anxious to hear the Minister. I reiterate my party's ongoing opposition on grounds of climate change, and the impact of noise and air pollution on local communities. A final request to the Minister is that he tells us at some point what will happen with the application for derogation from air quality. I again congratulate the hon. Member for Windsor on raising the issue.

10.37 am

Mr. Julian Brazier (Canterbury) (Con): I, too, congratulate my hon. Friend the Member for Windsor (Adam Afriyie) on securing this debate, and on his excellent contribution on a matter of great concern to all hon. Members here. I also congratulate my hon. Friend the Member for Uxbridge (Mr. Randall) and the hon. Member for Hayes and Harlington (John McDonnell) on their typically robust comments about their constituents' concerns, which were echoed by the Liberal Democrats' spokesman. If there were a contest between the bulldozers and my hon. Friend the Member for Uxbridge, I know whom I would back in a straight contest.

I shall endorse rather than repeat the various plaudits for the environmental groups, trade unions, and business men who have stepped out of line with what was briefly consensus among the business community and are speaking out against a project that we believe will inflict devastating damage on the environment and the quality of life of millions of people in London and the western home counties. The Conservative party plans to make Heathrow a better airport, rather than a bigger one.

Three arguments are usually made in favour of a third runway at Heathrow: the UK plc argument and two aviation-specific ones. Despite a number of voices, including that of the CBI, the UK plc argument is extremely weak. It has been heavily based on one study—the Oxford Economics study, which has nothing whatever to do with Oxford university, whose transport unit takes a different line. The study is full of one-sided assumptions. It prices none of the downside of expansion, apart from carbon, and even ignores road congestion. It centres its calculations on assumptions mostly at the extreme favourable end of each scale. It bizarrely includes aviation tax as a net gain to the UK economy, and it assumes that BAA will be allowed to continue to operate one of the stingiest schemes for noise insulation in the world. However, that document is still the only major study behind the UK plc side of the argument.

Even before the recession, BAA admitted that only 36 per cent. of passengers travelling through Heathrow were business passengers. If we remove the transit ones, barely one quarter of the passengers going through Heathrow are British business men or people coming to do business in Britain.

Mr. Wilshire: My hon. Friend mentions the Oxford Economics report. Has he had a chance to read the new one?

Mr. Brazier: I have not been through the new one in detail yet. I look forward to doing that, but if the quality of the work compares to the quality of the work in the last one, it will not add very much to the argument.

The proportion of business passengers is likely to fall still further—indeed, it has already done so—and not just because of the recession, but because of the growing sense of corporate responsibility and the active steps by businesses to reduce the amount of flying that they do. My hon. Friend the Member for Windsor referred to the letter in *The Times* last month, from which I shall quote just one sentence:

> "We recognise the business need for air travel and that strong air links between the UK and the rest of the world are required, but the business case for the third runway simply does not stack up."

As much of business joins the growing consensus against runway 3, the Government are increasingly isolated.

I shall now consider the general capacity argument—an aviation-specific argument. Many regional airports have plans for more capacity. Since 2001 the percentage of passenger traffic going to regional airports has increased from 39 to 48 per cent. and, despite the recession, many have plans for further expansion in the medium term. Of course, regional plans must be considered on a case-by-case basis—each on its own merits—but far too much emphasis has been placed on the big three London airports and not nearly enough on regional development, which boosts local economies and, crucially, reduces ground-based emissions and congestion on the traffic infrastructure in the south-east.

I listened carefully to my hon. Friend the Member for Spelthorne (Mr. Wilshire) while he made his typically courteous and well argued speech. He argued that somehow a large part of the extra capacity that would come out of a third runway would go into reducing overstretch, rather than extra flights. That would have been a difficult case to make even a year or two ago, but let us consider it in the light of the current financial strains and the difficulties that Ferrovial will have in putting this package together. If that assumption was worked into it, it would be impossible to finance in the private sector.

The last argument in favour is the hub argument. Refusing to allow the third runway at Heathrow will mean that other aviation hubs continue to grow larger than Heathrow. That is unavoidable. We have lost a few thinner routes already, but with 180 routes from the airport and a transaction just over a year ago of £30 million for two slots, Heathrow remains an important hub. The focus should be on making it a better airport.

Let us remember the environmental price of a third runway. There is no time for me to restate the very strong arguments advanced by all three major parties—arguments on noise and the fantasy aircraft that the Government are arguing will protect the footprint and on nitrogen dioxide. Frankly, even with the derogation, there are question marks over whether the 2015 target can be met, let alone the 2010 one.

We want Heathrow to be better, not bigger. It is true that many of its problems are related to runway overcrowding, but there are many other issues too. That is why we supported from the beginning the idea that BAA should be broken up by the Competition Commission, although we accept that the recession makes BAA's welcome decision to sell Gatwick immediately harder to implement. None the less, we will keep pressure on BAA to improve the quality of service that it gives customers in the airports that it retains. That will help to address the Heathrow hassle. Baroness Neville-Jones is carrying out a comprehensive study on security, which,

by learning lessons from best practice abroad, should show how to improve security and reduce unnecessarily burdensome queues.

However, the most important issue for passengers, especially business passengers, is the wretched ongoing links from Heathrow. Most modern airports allow passengers to get off an aeroplane and straight on to a train to go to a range of destinations. From Heathrow, passengers have two choices: to climb, with all their bags, on to an underground train, crushed between commuters at many times of the day, or to take the link to Paddington to transfer on to the underground to transfer again to a station that takes them somewhere.

A Conservative Government would give the go-ahead for a high-speed rail line linking Heathrow with the channel tunnel, Birmingham, Manchester and Leeds. Our proposals for a Heathrow rail hub, linked into several existing rail arteries, as well as HSR, would give us a Heathrow with links to be proud of. Experience in the rest of Europe shows that HSR provides an attractive alternative to short-haul flights. We believe that the link that we propose could replace virtually all flights between Heathrow and destinations such as Manchester, Brussels, Paris, Amsterdam and Rotterdam. Flight figures published by the Government for 2007 suggest that trains to those destinations could replace up to 30 per cent. of the capacity of a third runway. That figure could rise further as HSR expands in this country and on the continent.

By relieving overcrowding problems at the airport, our proposals would do a great deal to make Heathrow into a modern airport of which we can be proud. Our plan would also leave a lasting legacy for the future, freeing up capacity on the existing network for more commuter services. It would contribute to a more balanced UK economy, providing growth for the midlands and north and reducing the pressure on roads, land and housing in the south-east. It is a long-term project and would start in the most challenging economic circumstances, but our transport system has suffered from short-termism for far too long. Sometime in the next 12 months, the British people will have a clear choice. A Conservative Government will cancel the third runway and instead take steps to make Heathrow a better airport.

10.46 am

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I congratulate the hon. Member for Windsor (Adam Afriyie) on securing the debate and allowing an opportunity for the issues to be raised again; no doubt they will be raised in further debates in the ensuing months. We are talking about the important issue of meeting the aviation demands of our country, whether that relates to private travellers, travelling for leisure purposes or to visit friends, or to travel that is necessary to have a successful and thriving economy as part of UK plc.

I have been particularly interested to listen to all the comments that have been contributed to the debate by the hon. Member for Windsor, my hon. Friend the Member for Hayes and Harlington (John McDonnell) and the hon. Members for Uxbridge (Mr. Randall) and for Spelthorne (Mr. Wilshire), and to the interventions from the hon. Member for Castle Point (Bob Spink), my hon. Friend the Member for Manchester, Blackley (Graham Stringer), the right hon. Member for West Dorset (Mr. Letwin) and my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter). I have listened particularly to the comments of Front-Bench spokesmen and women with regard to meeting the challenges and making the hard decisions that have had to be faced by those in government. I shall run through some of those points now.

First, let me make it clear that although there may have been a change of team to an extent, I was present in March when the hon. Member for Windsor accompanied a delegation from his constituency, along with other representatives, including in this Chamber today, to discuss the issues with the then Secretary of State, my right hon. Friend the Member for Ashfield (Mr. Hoon). I noted the comments from the hon. Member for Richmond Park (Susan Kramer) that the contributions by the former Secretary of State were outrageous. I suspect that the reason for her saying that was that his comments did not find favour with her view. As I said, I attended that meeting with hon. Members and other representatives and I listened with interest to many of the views that were expressed by local residents—views that were clearly held firmly and expressed robustly. I am happy to confirm that information on a number of the points raised at that meeting has now been posted on the Department for Transport website. I am talking about issues that were raised at the meeting but could not be fully answered in that forum. I want to make it clear that those are on the Department's website.

Mr. Randall: Will the Minister give way?

Paul Clark: I will take a few interventions, but I am conscious of the time.

Mr. Randall: I am pleased to hear about the continuity in the Department because the Minister will be able to confirm or deny the persistent press reports that it has been collating information about those who oppose the third runway.

Paul Clark: The continuing work of listening to the views that are raised across the board—by those who are for or against—in this important debate is absolutely essential for any Government worthy of their name.

Susan Kramer: Will the hon. Gentleman give way?

Paul Clark: May I make some progress? I may well cover some of the points that have been raised. There has been more than an hour and a quarter of debate, and I am trying to respond in 10 minutes.

I welcome the opportunity to respond on behalf of the Government, but I preface my remarks by noting that the decisions that we announced on Heathrow in January are subject to an application for judicial review, which was brought by a number of local authorities, including the royal borough of Windsor and Maidenhead, as well as by other parties. That application relates to a number of the issues that right hon. and hon. Members have raised, including noise impacts.

The decisions that we have taken and announced on Heathrow, as well as the reasons for them, have been clearly spelled out, including in the documents published on 15 January, which are freely available. You will be pleased to know, Mr. Taylor, that I do not propose to go

[Paul Clark]

over all of those this morning, but I can say that the Government are happy to defend those decisions in court if permission for judicial review is given.

One issue that has been raised in the debate is that people do not understand how the Government can make such a decision when climate change is meant to be the most important thing that exists. Of course climate change is critical, which is why the Government commissioned studies by Stern and Eddington, and those are the driving forces behind the Department's work. However, although we must recognise that climate change is fundamental, we cannot make decisions by looking at one part but not the others. The needs of business, the UK and, indeed, the residents of all the constituencies that are represented here are equally important in this framework. A hard decision has to be taken in the light of all these important issues, and none is more important than climate change and getting the balance right.

The further development of Heathrow has been debated in Parliament on many occasions—most recently on the Opposition day on 28 January, shortly after the Government's decision was announced. At the time, we were told that Heathrow was "the wrong decision", that "the world had changed" and that the Government should delay their decision for "three or four years", and that argument has been made today. We have also heard that "some of the alternatives" should be considered, and that, too, has been repeated today.

Although the office holders in the Government who took the decision that was announced on 15 January may have changed, the arguments have not. The fact has not changed that the transport system is the lifeblood of Britain's economy. The fact has not changed that Heathrow is our only hub airport, that it is a vital international gateway for us, that it is vital to our economy and that it connects us to the growth markets of the future. The fact has not changed that Heathrow, as the hon. Member for Spelthorne said, is operating at near capacity and losing ground to international hub airports in competitor countries. Those are still the issues with which we have to deal, whether the Government's transport team is led by the right hon. Member for Ashfield (Mr. Hoon) or Lord Adonis. We are talking about a Government decision, and it has to be taken on the basis of facts and information. We have to reach a decision, but not at any price.

John McDonnell: I want to return to the serious point made by the hon. Member for Uxbridge. I do not expect the Minister to answer today, but we would welcome a letter on the issue. There have been reports in the press recently suggesting that the Department has provided BAA and others with information on opponents of Heathrow's expansion. I would welcome confirmation or not—hopefully not—of whether that has occurred. If the Minister could write to us, that would be helpful.

Paul Clark: I am more than happy to write to my hon. Friend on that.

I want to deal now with some of the substantive issues that have been raised. As I was saying, there is the economic side, the demand and the capacity issues, and we clearly said that we believed in principle that there should be a third runway. However, we said that that should not be at any cost, which is exactly why we set criteria on the issues of noise, air quality and surface access. In that respect, the hon. Member for Canterbury (Mr. Brazier), who represents Her Majesty's Opposition, made a fascinating statement about the investment that he would make in surface transport. I do not know whether he has discussed that with the hon. Member for Tatton (Mr. Osborne), who may have different ideas about the amount of public investment that his party would put in if it ever came to power.

Mr. Brazier: The short answer is yes. My hon. Friend the Member for Tatton and my right hon. Friend the Leader of the Opposition are committed to the high-speed rail link. In fact, only the first stage—the stage that links into the fast link to the channel tunnel—is needed to achieve nearly all the aspects of flight replacement.

Paul Clark: I recognise what the hon. Gentleman says. He will be well aware that the Government are getting on with the job of making sure that there is a robust case for a High Speed 2 link that meets the requirement of linking into an expanded Heathrow. There are also the investments that we have put into the Piccadilly line to increase capacity, as well as the commitment that we have given on Crossrail, and the hon. Gentleman would no doubt wish to put on record that he is totally committed to that scheme.

In terms of industry and business, I accept that individuals have made a number of statements arguing one side of the case. Equally, however, I can quote from the CBI, the British Chambers of Commerce, the Institute of Directors, the Federation of Small Businesses and the TUC—we must be the only Government to have got everyone on side in that way, because they recognise the importance of our announcement on the Heathrow expansion.

Interestingly, the hon. Member for Uxbridge said that when his family moved there—

Mr. Randall: We did not move there. We were already there.

Paul Clark: They were already there. However, he said that hardly anything was operating, and that was, indeed, the case. That is why Heathrow is fundamentally important. Some 70 per cent. of foreign businesses locate their headquarters within an hour of Heathrow, as right hon. and hon. Members will be well aware.

In the last couple of minutes, let me bring in some of the other issues. The hon. Member for Windsor said that international routes had declined marginally. There were 227 international destinations in 1990, but 180 in 2006, which is not a marginal decline. Heathrow now serves only nine domestic airports, but it served 18 in 1990. Some 21 domestic airports are served by Amsterdam alone. Hon. Members will therefore recognise the issues involved.

The right hon. Member for West Dorset referred to High Speed 2. We are going down that line because we have witnessed a 40 per cent. increase in the demand for rail and we are planning ahead to make sure that Britain remains competitive.

We have taken opportunities to ensure that there are robust processes in place, including the national policy statement process. In terms of—

David Taylor (in the Chair): Order. I am sorry to interrupt the Minister, but we must now start this morning's second debate.

Addiction to Medicines

11 am

Dr. Brian Iddon (Bolton, South-East) (Lab): It is a great pleasure to serve under your chairmanship this morning, Mr. Taylor. This is my valedictory address as chairman of the all-party group on drugs misuse. I hope to hand over the group's chairmanship this very afternoon, after serving in that capacity for 10 years. I am sure that I will leave it in good hands.

I am introducing this debate on addiction to and physical dependence on prescription and over-the-counter medicines in the hope that the Government will take the issue on board when they make policies in future. It is now recognised by many that the war on drugs has caused displacement—substance displacement, geographical displacement and even policy displacement. The press kit for the United Nations 2006 International Narcotics Control Board annual report states, at page 11:

"The abuse and trafficking of prescription drugs is set to exceed illicit drug abuse, warned the International Narcotics Board in its Annual Report released today".

That was on 1 March 2007. The passage continues:

"The Board added that medication containing narcotic drugs and/or psychotropic substances is even a drug of first choice in many cases, and not abused as a substitute. Such prescription drugs have effects similar to illicit drugs when taken in inappropriate quantities and without medical supervision. The 'high' they provide is comparable to practically every illicitly manufactured drug."

Why should a person risk a fine or prison sentence when perfectly legal substances can give them a buzz equal to that obtained from street drugs such as heroin, cocaine and crack cocaine? As we increase the penalties for those who use controlled drugs, as we have done, again, for cannabis users, or increase the number of classified substances—perhaps it will be khat or other legal highs next—people will seek alternatives to give them a buzz. Stronger enforcement merely leads to what I and others term substance displacement.

Concerns have been rising in recent years about the number of people who have become physically dependent on or addicted to legal substances, even overdosing on them, which has sometimes resulted in tragic deaths. The high-profile death of the famous Heath Ledger was only one example of very many. Soon after my election to Parliament in 1997 I came across a former policeman from Dumfriesshire, called David Grieve, who had been addicted to cough mixture containing codeine. He had been drinking litres of it every day. As a result he lost his job in the police force, and he started a charity, called Over-Count, which he still runs today, to give online advice to those who have become addicted to over-the-counter medications. Young Americans who are keen to avoid the risks associated with taking controlled, or street, drugs, have been pharming for several years now, which means that they have been taking cocktails of prescription and over-the-counter medicines to get their high.

The all-party group on drugs misuse decided to launch an inquiry in the 2007-08 parliamentary Session into physical dependence on and addiction to prescription and over-the-counter medication. We published our report in January and it has attracted a lot of media attention. During our research we came across two other reports, one published in the state of Victoria, in

[Dr. Brian Iddon]

Australia, and another in Scotland, whose findings are very similar to ours. Our inquiry was carried out along the lines of a parliamentary Select Committee inquiry. We issued a call for evidence, using a press release, and then on the basis of the more than 100 pieces of written evidence that we received we invited two groups of witnesses to give oral evidence. One group represented organisations such as the royal colleges, trade associations and regulators, such as the Medicines and Healthcare products Regulatory Agency, as well as the pharmaceutical companies, of course. The other group was of patients who had been affected, or organisations representing them. My researcher, Gemma Reay, organised the inquiry and wrote the final report, which can be accessed through a link from my website at www.brianiddon.org.uk, or through the DrugScope website.

The evidence that we received suggests that there are two main groups of legal substances that are causing significant problems: the benzodiazepine tranquillisers and their successor drugs, the so-called zed drugs, and products containing codeine. Nevertheless, we recognise that millions of people have benefited worldwide from the use of those drugs.

Mr. John Grogan (Selby) (Lab): Will my hon. Friend say more about benzodiazepines? Is there a further case for getting more statistical information about addiction levels, across PCTs? Is that a possible role for Government? Also, does my hon. Friend recognise that where there have been specialist clinics those have made quite a difference in dealing with addiction?

Dr. Iddon: I shall say more about benzodiazepines in a moment, but yes: I cite the clinic run in Oldham by the well known Barry Haslam—or rather it is not run by him, as it is run by the PCT, but he was instrumental in persuading it to set up the clinic. It is a very useful one, doing excellent work for benzodiazepine addicts.

Benzodiazepines, of course, are class C drugs under the Misuse of Drugs Act 1971. They are popularly known as "benzos" and are used as downers by those who use stimulant street drugs or uppers such as cocaine and crack cocaine. Evidence available from the NHS suggests that there about 200,000 illicit users of benzodiazepines in the UK. The drugs are being smuggled into the UK now in considerable quantities. The ready availability of drugs on the largely unregulated internet has exacerbated drug abuse problems, in my opinion. The Royal Pharmaceutical Society of Great Britain has estimated that about 2 million Britons now get access to medicines through online pharmacies. The Society has devised a logo scheme for online pharmacies that follow its code of conduct for use. However, there are lots of websites on the internet that allow the purchase of prescription medicines without a prescription.

Bob Spink (Castle Point) (Ind): Does the hon. Gentleman think that there is a role for Government in restricting the quantity that can be supplied? For instance, in the press pack provided by the Library the example is given of 60 Solpadeine Plus tablets being made available for a low price from a pharmacy website, with "fast and discreet delivery". Is the hon. Gentleman concerned about that, and does he think that perhaps the quantity should be controlled?

Dr. Iddon: I do, and shall refer to that issue later, but of course the internet is a very difficult animal to control. We rely on international agreements. We can regulate it domestically, but not as well as we should want to internationally, at the moment.

At least 10 per cent. of the drugs sold on the internet are counterfeit, which adds to the complexity of the problem. An article from the university of Edinburgh published in the *British Journal of Clinical Pharmacology* reported the discovery of 35 websites from which prescription-only pain relief medicines, some containing codeine, could be purchased without a prescription. The all-party group came across the case of a Welsh woman who had died of an overdose caused by self-medication using medicines available online. Other legal drugs, such as laxatives and antihistamines, are also misused, but we received no individual accounts of misuse of those medicines during our inquiry.

The benzodiazepine class of drugs—Valium and Librium came first—was introduced in the 1960s, and was welcomed by clinicians as a way to treat anxiety and insomnia, in place of the much more toxic barbiturate drugs that had resulted in far too many overdose deaths. At first they were seen to be quite safe, and their addictive properties were overlooked for a number of years. By the 1970s, benzodiazepines were the most widely prescribed of all prescription medicines. They are still widely prescribed: 11.7 million prescriptions were issued for them in 2007. However, many who have tried to stop taking them have experienced severe withdrawal symptoms as a result of their involuntary addiction. I remember Esther Rantzen and her "That's Life" team highlighting these problems in the early 1980s, and a book was published in 1984 as a result of her campaign. I note that the authors are Ron Lacey and a certain Shaun Woodward—someone who has gone on to other things.

In 1988, the Committee on Safety of Medicines issued clinical guidelines, recommending that the drugs should not be used for more than four weeks at a time and that patients on those drugs should be closely monitored. Sadly, many of our general practitioners have ignored that advice and, as a result, an estimated 1.5 million to 2 million of our citizens are now addicted to the drugs. The all-party group came across patients who have been prescribed benzodiazepines for more than 30 years. Evidence suggests that repeat prescriptions being handed out without the doctors monitoring their patients is a common cause of such involuntary addiction.

Mark Simmonds (Boston and Skegness) (Con): Is the hon. Gentleman of the view that GPs do not have enough information to discern whether any of their patients may be addicted in the way that he describes?

Dr. Iddon: There is a bit of that, but if a GP knows the patient well, he should be able to diagnose the problem. The trouble is that many patients who are refused the drugs by the doctor will revert to the internet for supplies. One cannot blame the GPs for that.

Just as ceasing to use controlled drugs such as heroin and cocaine results in severe withdrawal symptoms, the same symptoms will be felt by patients who cease to take benzodiazepines if they have become dependent on them. Professor Heather Ashton of Newcastle university has developed a withdrawal protocol for such patients. Many of them have struggled to cease their dependence

on benzodiazepines for many years, often without knowing about the withdrawal protocol. Patients are commonly incapacitated through their dependence on or addiction to benzodiazepines, or through their self-withdrawal from these medicines. Some are left with long-term health problems, even after withdrawal. Many would say that their lives have been wrecked as a result of being introduced to these drugs.

Many patients, who have not been supported by their doctors and who have become addicted to benzodiazepines, have turned to voluntary organisations for help. I praise the work of groups such as Benzodiazepines: Co-operation not Confrontation, Battle Against Tranquillisers and CITA—the Council for Information on Tranquillisers and Antidepressants. They have worked extremely hard over many years to support benzodiazepine addicts.

It is more difficult to estimate the number of people addicted to over-the-counter products containing codeine, but estimates suggest that the figure is at least 20,000 or 30,000 and that it may be as high as 150,000 or 200,000. The products that cause the most problems contain higher, than usual doses of codeine, at 12.5 mg per tablet, and usually the codeine is admixed with another drug, such as ibuprofen or paracetamol. The most common of these products are household brand names.

Bob Spink: Is it not a paradox that the manufacturers of brand names such as Solpadiene and Nurofen Plus should be criticised for pushing the analgesic uses of their drugs and for giving insufficient information about the down-side, the risks? They are criticised for not telling us of the alternative and more recreational uses of their drugs, but if they were to warn people they would draw attention to them. That might put ideas into immature heads, which could increase addiction and the abuse of those drugs. Is that a factor, or do people know about it anyway and I am simply being naive?

Dr. Iddon: It is a factor, and I shall comment on what the hon. Gentleman said later in my speech.

Codeine is more abundant in the latex obtained from the poppy papaver somniferum than from its most desirable constituent, morphine, which is turned into heroin using acetic anhydride. The all-party group received evidence to suggest that those addicted to codeine-containing products are taking between 30 and, amazingly, as many as 70 tablets every day. One woman who gave evidence to our inquiry described how the 48 to 60 tablets she was taking every day gave her a "lift" and "helped her along", and a male respondent told us how much he enjoyed the feeling of "calmness, happiness and control" that his 32 tablets brought him.

Unless the codeine is separated from co-medications such as ibuprofen, those dose levels can cause medical complications such as serious internal bleeding, which often results in death. The codeine can be easily separated from the co-medication, and the methods to achieve this separation can be obtained from the chatrooms regularly used by young people.

The stereotypical addict of codeine-containing products is a middle-aged female. However, more and more people are becoming addicted to them as a result of treating of chronic pain by using codeine-containing drugs and in the absence of an adequate pain management strategy by local clinicians. It would seem that a significant number of codeine addicts also have a co-morbid mental health problem. Some addicts also have a poly-drug problem, involving, for instance, alcohol or other prescription drugs.

Mark Edwards became addicted to codeine following complications arising from an operation that left him with chronic pain. If he had received help to manage his pain, he would probably not have become an addict. Following his experience, he established "codeinefree.me", an online site to support those who have problems with over-the-counter medicines, especially those that contain codeine products.

People who regularly suffer headaches and who self-medicate with codeine-containing products may develop a symptom that has been termed medication overuse headache. When they are enabled to give up the products, the headaches disappear. The overuse of codeine, of course, desensitises the pain receptors, particularly those in the brain.

People who become addicted to over-the-counter medicines believe that the products that they are buying without prescription are safe and therefore that they cannot become addicted to them. Similarly, patients who receive prescriptions from their doctors believe that they will be protected from serious side-effects, and they too cannot believe that they might become addicted or at least physically dependent on a product prescribed by their GP.

With both tranquilliser and codeine addiction, we found that most GPs either do not recognise the problem that their patients have or are at a loss to know how to deal with them. The plain fact is that it is probably easier today for an illegal drug user to get a referral to a drug and alcohol action team—a DAAT—than it is for those having problems with legal drugs, other than alcohol, to get treatment for their condition.

Our report contains 24 recommendations. They include the adequate training of medical professionals; raising awareness of the problem; proper prescribing and the monitoring of patients; more research to establish the scale of the problem; and, most important, recognition of those patients with problems and the ability to refer them to an appropriate treatment centre.

It is vital that all who work in the health care field, especially nurses, doctors and pharmacists, receive training in substance misuse as well as good prescribing practice. We live in an era of a pill for every ill, yet many patients require only to be listened to and perhaps referred on; for example, to a cognitive behavioural therapist.

The pharmaceutical industry and the patient both have responsibilities, the former to make patients aware of potential problems such as physical dependence or addiction—for instance, in the patient information leaflet or PIL—and the latter to ensure that they read the PIL or listen to the advice given by their doctor or pharmacist. Trade organisations, such as the Association of the British Pharmaceutical Industry and the Proprietary Association of Great Britain, also have responsibilities to ensure that the products produced by their member companies are safe at the point of sale, as does the MHRA, which licenses and monitors the sale of medicines in the UK.

All those bodies should raise awareness of the dangers of buying products on the internet. The MHRA works with internet service providers to close down websites

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found to be operating illegally, but it has jurisdiction only in the UK. In the past five years, however, it has been successful in 18 prosecutions of operators of websites trading medicines illegally in the UK. Primary care trusts also have a responsibility to ensure that benzodiazepines and zed drugs are prescribed responsibly, that general practitioners who prescribe outside the guidelines justify that behaviour to them and that the patients affected are monitored adequately so that the problems described this morning do not develop.

Our all-party group believes that codeine-containing packs should contain no more than 18 tablets and that all sales should be accompanied by appropriate advice on the addictive potential of these medicines. In some countries, the advertising of codeine-containing products has been banned and, in others, such as the USA, they have been made prescription-only medicines—POMs. However, we would not wish to burden doctors any more than they are already, and, in any case, there is a move in this country towards self-medication, with a greater role for pharmacists in advising patients. I welcome that. A 2006 study conducted in Northern Ireland concluded that, on average, a pharmacist would see about two over-the-counter medicine misusers a week, but a 2001 study conducted in Scotland put the figure a little higher—at an average of five per pharmacy per week. So the problem is not unknown in pharmacy shops.

The National Treatment Agency was set up in 2000 and has been very successful in treating those referred to it who are addicted to controlled—or street—drugs. However, we believe that it is not geared up to treating those with the problems that I have been describing. The stigma associated with controlled drug addiction, and the shame associated with those who have become involuntarily addicted to prescription and over-the-counter medicines, means that such patients are hardly likely to volunteer for referral to the facilities provided by DAATs. In our report, therefore, we have recommended that the Department of Health provide centres for treatment within the NHS, but separate from those provided by DAATs. Throughout our report, we stress the importance of voluntary organisations in helping patients, but their resources have become extremely stretched in recent years. I plead with the Government to support them more.

Finally, it is important that the Department of Health commissions research to measure the extent of these problems and monitor future prescribing and sales of the problem medicines. I hope that my hon. Friend the Minister—I am glad that he is answering this debate—can persuade the Minister of State, Department of Health, my hon. Friend the Member for Lincoln (Gillian Merron) to meet me with a small delegation to discuss these problems in more depth and to seek a sensible way forward.

11.23 am

Mr. Dai Davies (Blaenau Gwent) (Ind): It is a pleasure to follow the hon. Member for Bolton, South-East (Dr. Iddon). His all-party group was the first that I joined when I entered this place; his leadership is exemplary and a fantastic example of how an all-party group should be run. It is one of the most proactive groups in this place. He has done a fantastic job and will be a great loss to this House.

I joined the group owing to personal involvement: my mother was an addict. When she was originally diagnosed with alcoholism, in the 1970s and 1980s, the answer was to prescribe medication, which is what the GP did. But he did not stop at one prescription. After five or six years, she ended up taking about seven or eight types of medication. She would not stop taking one type, but simply start taking an extra one. At that time—this remains a huge problem—there was very little understanding of the interaction between all those types of drugs. But the situation gets even worse than that. Although the situation with prescription drugs has improved over the past 10 to 15 years, there remains a problem with their interaction with things that can be bought in the supermarket. For instance, cough mixtures contain morphine and codeine, which simply fuel past addictions. However, in my experience, assistance with, and understanding of, full-blown addiction to over-the-counter drugs is very limited.

There are huge differences between an illness, a condition and an addiction, and the treatments for all three have their own peculiarities. However, each one is also interlinked, and treating an addiction, like treating an illness or condition, can actually make it worse, so education on those three terms is extremely important. I recently attended a seminar, in this place, run by Mind and spoke to some of those present. Until then I had never thought about the difference between mental health and mental illness, but the issues involved are quite different. Over-the-counter drugs have a hugely detrimental effect on people with mental illnesses. It is easy to overdose on these drugs, whether through, for example, paracetamol, codeine in tablets or Nurofen. It is extremely easy to get into that position. The problem affects all age groups, and is not confined to the old, the young or the middle-aged. One of the huge tasks before us is on education, not just of individuals, but of service providers.

Hon. Members should try this for themselves: enter a supermarket and try to buy three or four bottles of cough mixture. It will sell them. Then go to a pharmacist and ask for the same. It will say, "You can't have them." There is a huge imbalance in the controls for pharmacists and off-the-shelf buys, and obviously that is exacerbated by the internet.

The hon. Gentleman raised another huge concern about the support services. During a recession, budgets are always cut, whether through local health boards, PCTs or borough councils, and I am worried that the fringe element—as it is seen—of support will be the first to be hit, despite being the very services that support people with addictions. For example, the Drug and Family Support Group, in my constituency, relies on donations and funding from borough councils. It is one of the few organisations in my borough that deals with such problems, and the consequences of losing that support will be dire.

Counselling services—we have heard about some today, but there are many others—need to be core funded. Too many support groups have to go cap in hand for funding. We also need to consider how people are signposted to services in our local communities and constituencies. Through GP services, they tend to be signposted to the first support group in the book, but there are so many

groups helping so many different things. From personal experience, I know that it is very difficult to work through the minefield of support.

I urge the Minister and the Secretary of State to read the report, of which I had the privilege to be a part, and to consider its recommendations. They were made in the hope that we can improve the situation. The suffering of an addict spreads throughout their family; it affects not only the addict, but so many others within the family and the community. I fear that the problem is growing. People often turn to some form of medication during periods of recession, depression and anxiety, and before they know it, their drug taking can spin out of control.

It is a pleasure to take part in this debate. I urge everyone to read this excellent report—I was part of it, so I would say that, would I not?—and I hope that its recommendations will be taken forward.

11.30 am

Paul Flynn (Newport, West) (Lab): I congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon) on his years of service on the all-party group on drug misuse. He will be sadly missed when he leaves. He has brought to that group a scientific rigour from his professional background that has been a continual challenge to the evidence-free policies on drugs, including medicinal drugs, by a succession of Governments.

I had a striking contribution yesterday from someone whom we will call "John" who illustrated vividly how society has been conditioned to believe that there is a pill for every ill. His 11-year-old daughter was asked in school to make a list of 10 medicines that she had taken, or that she knew about. Coming from a family who do not use medicines for ordinary complaints—they allow the ordinary diseases of life to take their course—she could only manage to write down one medicine while the rest of the class had no difficulty in writing down 10 that they had taken themselves. The school was so alarmed by that that it contacted my correspondent and asked him whether he belonged to a particular religious sect and whether he wanted his daughter withdrawn from the class because he might have objections to drugs. A parent who takes a purely rational approach to drugs, to the great health of their children, is treated as someone who is so exceptional that they have to be asked whether their children should be taken out of the class.

However, such drug taking is not a new phenomenon. If any of us had gone to see Dr. Freud in Vienna, he would have prescribed for us the drug that he took himself. He gave it to all of his family and every one of his patients in the belief that it was greatly beneficial and harmless. That drug was cocaine. A generation later, the drug of use for what we would now call depression or mild exam sickness was bromide, which created its own psychosis.

Going on from that, in the '50s and '60s, we had the dibenzodiazepines. Following that came the tricyclics and then the selective serotonin reuptake inhibitors, or SSRIs. When those drugs were introduced, they were all said to be beneficial, which they rarely were, and it was said that they would not create dependency, which they did. In fact, they all did a great amount of harm, so it is not something that is just happening now. None the less, the examples quoted are striking and important. The pharmaceutical industry has done a great deal of good. In many ways, it has produced miracles of science. On BBC 2 tomorrow night at 9 o'clock there is a programme called "The Price of Life", which I recommend everyone to watch. It looks at the way in which medicinal substances are marketed, created and sold. Behind the many good things that are done is a greedy, self-absorbed market that puts its profits as its highest goal.

We must look at the way in which lives have been damaged by our belief that for every moment of boredom, distress, grief, pain or discomfort, there is an answer in a pill; it is not true. I should like to talk at great length about the problems of pain. Pain is a construct, and the least successful way of dealing with it is to take a pill. There are much more sophisticated ways in which to deal with pain. I constantly say that if Beethoven had been on painkillers or Michelangelo had been on antidepressants, we would never have heard of them. Such pills are the antidote to the creative process. There are other ways in life in which we can deal with the affliction of pain. Often, the least successful and most dangerous way to do it is through using drugs that are vastly overused to the detriment of the happiness and health of millions of people.

I commend the all-party report. I had the great privilege of being invited to chair one of the group's evidence sessions. I learned a great deal from it. I saw how people had had their lives deeply affected by the overuse and misuse of medicinal drugs. On the evidence of this report, I hope that my hon. Friend will hear that there will be a meeting with Ministers and that there can be a major advance in the way in which we dispense drugs.

11.35 am

Greg Mulholland (Leeds, North-West) (LD): It is a pleasure to serve under your chairmanship, Mr. Taylor. Like previous speakers, I pay tribute to the hon. Member for Bolton, South-East (Dr. Iddon) and thank him for providing leadership on this issue. Moreover, I echo the comments made by the hon. Member for Blaenau Gwent (Mr. Davies) when he said that this debate shows how powerful all-party parliamentary groups can be when they do their job and provide leadership on an issue. In this case, the issue was not getting sufficient public attention or leadership. I should like the hon. Member for Bolton, South-East to pass on our thanks to the whole group.

Rightly, successive Governments have spent a lot of time, energy and money dealing with the problems associated with illegal drugs. I am sure that we all support that effort. There have been different ways of approaching the problem, but the thrust has always been to deal with the social and personal impact of illegal drugs. None the less, we must start by saying that such an approach has led to the more difficult problems associated with perfectly legal drugs—prescription-only drugs and over-the-counter medicines—not receiving the attention that has so rightly been brought into focus. However, we must strike a balance between dealing with the problems associated with those drugs and allowing people to continue to benefit from their appropriate use. The all-party report provides some practical suggestions on how the issue can be taken forward.

[Greg Mulholland]

I also want to draw attention to the all-party parliamentary group on involuntary tranquilliser addiction, of which I am a member. It focuses on a specific part of the problem. Today, the hon. Members for Blaenau Gwent and for Newport, West (Paul Flynn) described very powerfully their personal involvement in the issue. Although I have had no personal involvement in such matters, I have had to deal with a number of constituent cases, including that of Simon Kaberry, whose father, Sir Donald Kaberry, was MP for the constituency of Leeds North-West for 33 years. Whether or not I can match that length of service, we will have to see, but it has been a pleasure to work with Simon and to hear about his problems. His prescription of daytime tranquillisers, in place of sleeping pills back in the early 1990s, has ruined his life. He was defrauded of a significant amount of money, and was granted legal aid to sue those who were responsible for his negligent prescriptions. That case is still going on. That is a high-profile and extreme case, but, as we have heard, the cases of addiction are all too common. We do not know exactly how many people are addicted to prescription-only medicines let alone those who are addicted to over-the-counter medicines. Could more work be done to establish that figure? Difficult though that would be, it is important to understand the scale of the problem.

There are guidelines on prescription-only tranquillisers, including of benzodiazepines, which have already been mentioned, but are they working? We know that such tranquillisers are widely abused drugs. Wasted medication, over-prescription and mis-prescribing, as in the case of Mr. Kaberry, are potential explanations for the availability of drugs. It has been estimated that prescribing medication that is wasted costs £100 million a year, which must be a concern. Where have the substances that we are talking about today gone, and into whose hands have they been put?

As the hon. Member for Bolton, South-East said, an estimated 1.5 million people are addicted to benzodiazepine drugs and 2 million people were addicted to a broader group of drugs. He also said that some drug users are using prescription tranquillisers as part of a regular drug routine. However, other people are stuck in a cycle, having been properly prescribed drugs—at least they believe that they have been properly prescribed them. Again, people access the drugs for different reasons, which is another factor that makes the situation difficult to deal with.

The Royal Pharmaceutical Society of Great Britain has expressed concerns that there is currently no referral system specifically for misusers of prescription-only and over-the-counter medicines, yet pharmacists have an important job in signposting people to other health professionals and organisations as appropriate. Will the Minister consider action that would assist and educate pharmacists in that regard? Does he have any plans to regulate pharmacy technicians through legislation? That could also have a part to play. What training is given to pharmacists to provide them with more information on dealing with abuse of prescription-only and over-the-counter medicines, including information on identifying the signs, as we have heard that pharmacists play an important role in that area?

Another problem is that drugs are widely available in supermarkets. That will clearly be more difficult to target, but could the kind of restrictions that registered pharmacists rightly operate be at least put in place for supermarkets to ensure that people do not have easy access to inappropriate quantities of drugs that are likely to be indicators of abuse?

As with so many areas of public policy, the internet presents a difficult challenge. One problem is that by trading on the internet or in supermarkets, we lose the link that has traditionally existed between the community and the pharmacy. Pharmacy staff might have a good and close relationship with other organisations, including the doctors who prescribe the medicines and, when necessary, the local police, but supermarkets and the internet do not. It is much more difficult to monitor the patterns of purchase that suggest misuse in supermarkets and on the internet than in pharmacies.

No one is suggesting that we can turn the clock back and that drugs should not be available on the internet, but we need to review access to over-the-counter medicines on the internet. Does the Minister see any way of applying the control of entry requirements for pharmacies to online mail-order pharmacies? I do not know the answer to that question, and I suspect the Minister does not, but it might be worth considering the matter. The Royal Pharmaceutical Society has suggested that its logo could be used to identify bona fide pharmacies, whether they are existing chemists, as we call them, or supermarkets or online facilities. That could help. If the Minister thought that that was appropriate, there would need to be guidelines and a system for monitoring the logo and, especially, a system for clamping down on anyone who used the logo fraudulently. That would have to be traceable.

The debate on such drugs should now change. The practical solutions that the all-party group on drugs misuse have suggested could and should be looked at as a framework. The Government should consider the solutions—they do not have to accept all of them—and introduce measures to tackle this difficult issue. It would also make sense to look at labelling and further education so that people can become more aware of the dangers. As has been shown, many are not aware of those dangers. As the hon. Member for Newport, West said, there must be more education within and outside the medical profession about other treatments and therapies, particularly for pain. I am glad that the Government have been moving in that direction. Bringing the subject under discussion into that debate could be extremely helpful.

Bob Spink: Would there be a risk of increasing abuse if the labelling was made more explicit to increase awareness? I genuinely do not know the answer to that question.

Greg Mulholland: As with many questions on this matter, we do not know the answer—it is important to say that—but we clearly agree that the solutions must be research based. On labelling, we must be mindful of the danger that the hon. Gentleman described, but we could deal with that problem by talking about the dangers in an appropriate way.

This is an important debate. I thank the hon. Member for Bolton, South-East for introducing it and the all-party group for its report. I would like to think that we will

come back, perhaps in a year, to see how much of the report the Government have taken up. I hope that the matter will be taken very seriously by the Minister and that we see progress on this difficult but very important issue.

11.49 am

Mark Simmonds (Boston and Skegness) (Con): I am pleased to be under your guidance again this morning, Mr. Taylor.

I join other hon. Members in congratulating the hon. Member for Bolton, South-East (Dr. Iddon) on the comprehensive and detailed way in which he set out the contents of his report this morning and on the enormous amount of work that he and his colleagues have done to collate all the evidence that they took in an easily understandable way. His introduction clearly highlighted some of the key issues. He described the scale of the problem, even though further research is needed to get a more accurate handle on the numbers. He also mentioned substance displacement, as well as an issue referred to by the hon. Member for Leeds, North-West (Greg Mulholland)—internet regulation and the complex problem of regulating online pharmacies—and called for greater acknowledgement that further research is required on a range of issues.

The hon. Member for Blaenau Gwent (Mr. Davies) made an interesting contribution that highlighted his own and his family's personal experience of the problem. He was right to raise the issue of mental health, to which I will return, and pointed out rightly that drug misuse can affect people of all ages, although one interesting fact in the report is that the majority of misusers are female. I could not find any detailed analysis of why that is, so perhaps the solutions need to address the core of the problem. The issue certainly requires further investigation and research.

Bob Spink: Some research highlights the fact that analgesics in particular are advertised in women's magazines and programmes that women watch, whereas they are never advertised in men's magazines. That is suggested as one reason why abusers are predominantly women.

Mark Simmonds: I am grateful for that intervention. I am sure that that is a contributory factor. It is in stark contrast to the recent report demonstrating that men are much more likely than women to die of cancer. There are interesting divergences across many of the illnesses and problems from which people in the UK suffer.

The hon. Member for Blaenau Gwent made a good point about supportive services in his constituency. I can assure him—not that it is any consolation—that in my constituency in rural Lincolnshire, we have exactly the same problem with funding streams coming to an end, normally after three years, and councils being squeezed for money to spend. There are issues across Wales and England with regard to support services.

It is clear that misuse has an impact not only on the lives of those who suffer but on the lives of their carers or wider family and community supporters. I suspect that that impact will be exacerbated by the current recession. The hon. Member for Newport, West (Paul Flynn) was right to point out that the problem is not a new one but has a long history, and to point out the impact of pain and pain relief. I am sure that he would be the first to acknowledge that one of the main factors that seems to lead to misuse is a lack of pain management, as the report highlighted. There are clearly two sides to the issue.

There has been a great deal of debate, research and Government policy thinking on the misuse of illegal substances, but the report rightly highlights that to date, there has been no significant focus on the misuse of legal substances. Clearly both the current and—hopefully—the future Government will need to consider it more closely. There is evidence to suggest that prescription drugs are often used in conjunction with illegal substances. The two are not mutually exclusive, which makes research even more complex than it might seem at first. It might increase the effectiveness of the overall war against drugs if the misuse of some prescription and over-the-counter medicines were considered alongside the misuse of illegal drugs and, indeed, the combination not just of illegal and legal drugs, but of legal drugs and alcohol, which is another legal drug.

It is a challenging topic, and the report went into exactly the right amount of detail, highlighting analysis of the problems while including the personal experiences of some of the people to whom the all-party group talked. Some people might dismiss the problem as superficial, but it is clearly not. It is serious when it leads to loss of life and suicide, which are mentioned in the report.

Dr. Iddon: The hon. Gentleman might have seen in the pack kindly provided to us by the Library that in 2005 some 8,500 deaths resulted from the use of OxyContin, as we call it in this country, in the United States alone. That number exceeds the combined number of deaths from cocaine and heroin use that year in the United States. That is how serious the problem is becoming across the pond, and it is drifting across to this country as well.

Mark Simmonds: I am grateful for that intervention. The hon. Gentleman is absolutely right to highlight that; I did see that figure. One suggestion made in the report deserves further consideration: many coroners are saying that when suicides occur, any prescription drug that the individual was taking should be noted and investigated further.

[Mr. David Wilshire *in the Chair*]

In many cases of addiction to prescription medicines, the GP is aware of the situation. As the hon. Member for Bolton, South-East said in response to my intervention, GPs know their patients best, but GPs often do not feel suitably qualified to assist patients in reducing their dependence. More must be done to make GPs aware of the possibility of addiction and help them to deal with patient dependence. Part of that could involve ensuring that GPs are aware of the British national guidelines on the optimum length of prescriptions for medicines. They must also be suitably trained to prescribe alternative treatments, such as talking therapies—I will have some questions about that for the Minister in a moment—without being hindered by excessive waiting times or limited access, as currently happens too often.

Paul Flynn: I am sorry to interrupt the hon. Gentleman's interesting speech, but I am greatly encouraged by the idea that he might have a leading role in a future Government. We know that all parties act against illegal drugs, because no one who has a vested interest in defending them can do so publicly, but if a future Government were to campaign to reduce the use and abuse of legal medicines, they would meet ferocious opposition from the pharmaceutical industry, which would denounce the Government for keeping medicines away from the public. If his party were in government, would it be courageous enough to take on the pharmaceutical companies?

Mark Simmonds: I do not see that as the issue. The issue is ensuring that over-the-counter and prescription medicines are used responsibly. Most patients in this country use access to medicines responsibly to better their lives, but we are discussing misuse. Any responsible Government should focus on misuse, which is not necessarily the same thing as attacking the pharmaceutical industry, as the hon. Gentleman suggests. The pharmaceutical industry plays a significant role in alleviating the pain and suffering of many people in this country. It is misuse that we need to focus on, not the market as a whole.

One way to do so—I know that the Government have started to think about it, and we are certainly keen to find ways to facilitate it—is to ensure that GPs and pharmacists work together more closely for the betterment of patients in their respective communities. In the Prime Minister's constituency in Scotland, I went to a GP's surgery with an embedded pharmacist. She holds her own surgeries, where people come to discuss what prescription medicines they are on and GPs come to her for advice. That is something that we need to consider. Some primary care trusts are reducing the number of prescriptions for medicines that could be classed as addictive. I would certainly like to see examples of best practice replicated more widely across the country. As hon. Members have said, it is difficult to get a handle on the number of people who are affected by misuse, particularly as many become dependent on painkillers after inadequate pain management strategies for existing conditions. That deserves greater focus.

Pharmacists could play a greater role in treating minor ailments and illnesses so that GPs' time is freed up to deal with more serious cases. We support an increase in the use of medicines use reviews, which can be early indicators of unhealthy or over-extensive patterns of prescription medicine use. They also provide a good opportunity for pharmacists to discuss a patient's use of over-the-counter medicines. As the report stated, the issue of unsupervised repeat prescriptions should be considered. Pharmacists could play a greater role in disseminating to patients information about public health, the dangers of taking too many over-the-counter or prescription drugs that might have an addictive quality, and access to local drug and alcohol teams and talking therapies.

We are concerned about the high concurrence of drug dependency and mental health problems and believe that more must be done to tackle underlying mental health problems. There should be greater focus on the provision of mental health services. We supported the roll-out of crisis resolution teams, early intervention and assertive outreach. In what has been an apolitical debate, I am sorry to say that mental health services still do not get the priority that the depth of suffering demands on many issues, including resources, waiting times, quality assurance mechanisms and health outcomes. When there is a concurrence of drug dependency and mental health, it must be addressed.

We support more use of talking therapies and cognitive behavioural therapies, rather than the prescription of medicines for mental illnesses. However, people can wait for up to two years for those treatments. I understand that 86 per cent. of people with schizophrenia do not receive such treatments. The Minister will recall that in October 2007, the then Secretary of State announced a £170 million pledge for talking therapies. Has all that money been spent, and if so, how? How many of the additional 3,600 therapists have been recruited? In 2004, the Government announced that they would locate employment advisers in GP surgeries to assist people in tackling their mental illnesses and returning to the workplace. How many have been appointed? When does he expect the national outcomes measurement project, which will result in standardised outcome measures for mental health, to be fully operational?

Do the Minister and his civil servants agree with the report's recommendation that further research should be undertaken into the scale of the problem of prescription and over-the-counter drug misuse, and into the long-term impacts of such addiction? If so, when will the research funding allocation be made and when does he envisage the research being completed?

I shall reiterate some points made by other hon. Members. On pack sizes, the *British Medical Journal* has reported that fewer people have been admitted with, or have died from, paracetamol poisoning since the pack size was reduced. How far has the Medicines and Healthcare products Regulatory Agency got in considering a reduction in pack sizes for medicines that contain codeine?

What stage have the Government reached in their consultation on the point of sale of medicines? The Minister will recall that the pharmacy White Paper proposed changes to the sale point of medicines to correct the anomaly that makes it possible to buy paracetamol at a petrol station, but not at a GP surgery. Has that consultation been completed? If so, what decisions have been taken about increasing access to over-the-counter medicines and when were they taken? The hon. Member for Leeds, North-West rightly said that pharmacists should receive additional information to enable them to look for and recognise the symptoms displayed by people who misuse prescription or over-the-counter medicines.

Will the Minister confirm what progress has been made on the barcoding system that was mentioned in the excellent report? Has the pilot shown that barcoding reduces the availability of counterfeit products? Will that measure be rolled out more widely?

I will not reiterate the points that have been made on internet pharmacies. That issue is extremely complex, especially given the international element. It would be helpful if the Minister explained what progress the Department is making on that.

The Department should consider a few other areas that were highlighted in the report. First, it should look at research into depression. There is a clear link between

depression and the misuse of prescription and over-the-counter medicines. Secondly, we should have more clinical trials in this country. Hon. Members will be aware of the reluctance of pharmaceutical companies to enter into clinical trials in this country for a variety of reasons. We must have a broader representation of such trials in this country. Thirdly, as I mentioned earlier, attention should be given to the fact that the majority of misusers are female.

The lack of a pain management strategy often leads to misuse. Clearly, there should be public education about the harm that can be caused by the misuse of the illicit drugs we are discussing and by mixing them with other illegal and legal drugs such as alcohol. That information and education must be accessible and understandable for those at whom it is targeted. Far too often, such information is inaccessible, particularly for those who are digitally excluded. We must find ways of taking information to people and patients, rather than waiting for them to access it.

As hon. Members have mentioned, the Government should also consider the potential benefits of alternative treatments. However, such provision must be relevant to the circumstances of each patient.

The report makes it clear that there should be greater focus on this issue. I hope that in the time they have remaining, the Government will provide that focus.

12.07 pm

The Minister of State, Department of Health (Phil Hope): I congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon) on securing this important debate. As hon. Members have said, he has taken a keen interest in this issue over many years, not least through the all-party parliamentary drugs misuse group, which he has chaired with great distinction over the last 10 years. I was unaware that he would be standing down from that role today. I put on record our thanks and congratulations to him on the excellent job he has done. He has been determined through his efforts to raise the profile of addiction to prescription and over-the-counter medicines. He will be a hard act to follow.

The hon. Member for Blaenau Gwent (Mr. Davies) spoke movingly of the impact his mother's experiences had on his family and the wider community. My hon. Friend the Member for Newport, West (Paul Flynn) and the hon. Member for Leeds, North-West (Greg Mulholland) talked about constituents who have come to them with experiences of misuse and about how they have responded to them. The hon. Member for Leeds, North-West also highlighted the complexities and dilemmas in this difficult area of policy.

The hon. Member for Boston and Skegness (Mark Simmonds) has clearly read the pharmacy White Paper because he has been reading it back to me. I am pleased about that and was grateful to hear his suggestions. He will be glad to know that the White Paper is being implemented as we speak and that many of his thoughts about the role of pharmacies and pharmacists are part of Government policy.

For the Government, it is important to address all drug addiction, including addiction to prescription and over-the-counter medicines. We want to make it clear that tackling drug misuse of any kind is a Government priority, and we have made massive strides in reducing the harm that drug misuse can do to individuals and to society as a whole. We have made a substantial investment in drug treatment through the pooled drug treatment budget that has been allocated to primary care trusts on behalf of local drug partnerships. In the past 10 years, investment has increased from £142 million in 2001-02 to £406 million in this financial year. Of that sum, £24.7 million has been earmarked specifically to support treatments for young people.

We are committed to getting drug misusers off their drugs of addiction, and we are supporting drug users in working towards that goal. As we have heard today, drug addiction can be a long-term, chronic, relapsing condition that requires treatment over an extended period. Independent research shows that drug treatment is one of the most effective treatments in the NHS. For every £1 we spend on drug treatment, we make a saving of £9.50 for society as a whole. Some 83 per cent. of those treated in 2007-08 either completed treatment successfully or were still in treatment on 31 March 2008, so we are keeping 78 per cent. of people in treatment for at least 12 weeks because we know that staying in treatment for 12 weeks has a lasting and positive impact on reducing the harms associated with addiction and that it is a key measure of effective treatment.

In the three years from 2007 to 2010, we are investing £54.3 million of new funding, over and above the pooled drug treatment budget, to fund the expansion of in-patient detoxification and residential rehabilitation services to help drug users to beat their addiction. The hon. Member for Blaenau Gwent spoke of his worries about cuts to public spending affecting this area. As I have just described, the Government have invested considerable extra money in drug treatments and dealing with the causes and effects of addiction, and we will continue to make that investment. The hon. Member for Boston and Skegness said that he did not want to introduce a discordant party political note into the debate, but perhaps he should suggest to his hon. Friends on the Opposition Front Bench that his party's pledge to cut public spending on health, education and other public services by 10 per cent. would have a devastating impact on the NHS services that we seek to deliver. I am pleased to tell the House that we have recently made available an additional capital sum of £11.8 million in the current year to enhance further the quality of drug treatment services.

The all-party group on drugs misuse has made several recommendations on issues such as training for medical professionals, awareness among prescribers about the potential for dependency and the need to monitor prescribing practices. Let me address the specific concerns that my hon. Friend the Member for Bolton, South-East has raised. We have a new national initiative to improve the training of all future doctors regarding substances of misuse. In 2007, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), then the Minister for Public Health, launched the "Substance Misuse in the Undergraduate Medical Curriculum" guidance document for all medical schools. That innovative work was funded by the Department of Health and was produced with the agreement of all UK medical schools and all the key national bodies involved in undergraduate medical education. It describes the core substance misuse curriculum that has been agreed and that should be used for the comprehensive training of medical students, and it has now been published and widely distributed.

[Phil Hope]

The project is now in its final phase of implementation, and further Department of Health funding is being made available to all the medical schools in England, over the next two years, to incorporate the curriculum into all the schools' training programmes. As a result, on qualification, medical students should be able to demonstrate awareness of the range of substances that can be misused, including prescription and over-the-counter medicines, and should be able to describe the principles of good prescribing. The impact of that will be significant. Some 6,000 new doctors qualify each year, and it is estimated that the combination of undergraduate training and continuous professional development training will, over the next 10 years, ensure that approximately 60,000 doctors are better equipped to deliver competent practice in substance misuse.

The second area that my hon. Friend the Member for Bolton, South-East talked about was awareness. The Medicines and Healthcare products Regulatory Agency, which monitors the safety of all medicines in the UK, is working with over-the-counter trade associations on a package of measures to support the safe and effective use of codeine, and advice on that will be sought from the Commission on Human Medicines. In addition, strengthened patient information and warnings about the risks of addiction and overuse were introduced in 2005 for medicines containing codeine and dihydrocodeine. At the same time—for the benefit of the hon. Member for Boston and Skegness, who asked about this—a voluntary agreement was reached with manufacturers to restrict the size of over-the-counter packs to 32 tablets.

The MHRA, in association with its expert group on patient information, has reviewed patient information for the products that are most often subject to abuse or misuse, such as laxatives and sleeping aids, and has produced best practice advice on minimising the risk of abuse or misuse. The MHRA uses a variety of methods to collect information on the safety of prescription and over-the-counter medicines, and health care professionals and patients are encouraged to report suspected adverse drug reactions to it via the yellow card scheme. Also, there is a legal requirement on pharmaceutical companies to report reactions to their products. If action is needed to address safety concerns or problems of misuse and dependence, a number of regulatory options are available, such as withdrawing the product from the market or amending the labelling and patient information leaflet that accompanies a medicine to warn health care professionals and patients about such risks—a point was made about labelling earlier. Similarly, the legal status of medicines may be changed.

Paul Flynn: Is the Minister satisfied with the yellow card scheme? Only half a dozen adverse reactions to Vioxx were reported here, but the United States, which has a more rigorous way of measuring adverse reactions, decided that there had been 144,000 heart attacks and strokes as a result of using Vioxx, and it was therefore banned in this country and in America. Had we depended on the yellow card scheme, we would never have discovered the danger of that simple painkiller. Do we not need to improve the current system?

Phil Hope: My hon. Friend raises an excellent point about comparisons between strategies that work in different countries. These matters are never quite comparable, but I shall certainly draw his concerns about the efficacy of the yellow card scheme to the attention of the Minister of State, Department of Health, my hon. Friend the Member for Lincoln (Gillian Merron), who has responsibilities for public health and this area of policy.

Several hon. Members have expressed concerns about the internet and how people obtain prescription drugs. We know that some people obtain benzodiazepines and other medicines through internet pharmacies, from abroad and by other illicit means. The MHRA continues to monitor internet activity and takes action against any identified breaches of legislation, where possible. The safety, quality and efficacy of medicines purchased via the internet cannot be guaranteed, and their effects on patients cannot be monitored, which is why we control tightly the supply of medicines and prescription-only medication in the UK. The MHRA has warned that online supplies of medicine may well pose risks to consumer health, and recommends that prescription-only and pharmacy-only medicines should be obtained through registered pharmacies.

Action is also being taken through designated internet days of action, which are organised and conducted on a number of dates during the year. They involve working alongside international regulators with the specific aim of taking down websites that act illegally. More such days of action are planned throughout 2009 and beyond.

On the question of prescribing and monitoring, we are using a number of mechanisms to promote and support high-quality, clinically effective prescribing and medicines management right across the NHS to ensure patient safety and to help improve patient care and service delivery. We have made sure that prescribers have access to a wide variety of impartial, trustworthy information resources to support their prescribing, including resources from the British National Formulary, National Prescribing Centre information and advice, and guidance from the independent National Institute for Health and Clinical Excellence. Such resources will assist prescribers in making clinically cost-effective prescribing decisions. A wealth of information is available through the National Library for Health and various academic and professional journals. NHS prescribers also have access to advice from the network of local drugs and therapeutics committees, and from PCT pharmaceutical advisers.

It is an obvious thing to state, but no medicine is 100 per cent. risk free. However, we expect individual prescribers to be aware of the potential for addiction and to ensure that medicines are prescribed appropriately depending on a patient's individual needs. In exercising their professional and clinical judgement, prescribers should always consider the available guidance and the best practice that is shared within the prescribing community. At a more local level—this has been raised in the debate—pharmaceutical advisers, who are mainly pharmacists, are employed by strategic health authorities or primary care trusts with the common aim of encouraging and securing rational and cost-effective prescribing and providing a source of advice and support for prescribers in their area. There are now more than 1,200 advisers, many of whom conduct face-to-face reviews with GPs and carry out reviews of prescribing activity.

In this country, primary care trusts and their pharmaceutical advisers have very effective electronic information systems for prescribing in general practice. They routinely monitor detailed prescribing information and can easily identify unusual or excessive prescribing by individual doctors. Such a system further supports the monitoring of the quality and safety of prescribing and is another important factor that contributes to improving practice in this area. The General Medical Council has produced guidance for doctors to ensure that proper standards in the practice of medicine are maintained, including in relation to the prescribing of medicines. If the proper standards are not maintained, the General Medical Council has the power to remove a doctor's right to practise medicine.

A fourth area mentioned by my hon. Friend the Member for Bolton, South-East was research. The 2008 drug strategy highlighted the importance of further research in the drugs field to boost our understanding of addiction and to identify opportunities for new forms of treatment or prevention. Since then, work has been under way to develop a cross-Government research programme on drugs. Our analysis in the Department of Health has revealed—I think that my hon. Friend pointed this out—the need for additional information about dependence on prescribed drugs and over-the-counter drugs.

I am pleased to have this opportunity to let the House know that, starting next month, resources have been identified in the Department to undertake a review of the information that we already have. That review will identify the key gaps in data and consider what additional work needs to be taken in hand, and it will take the points made in the report of my hon. Friend's all-party group on drugs misuse very seriously; indeed, it will also take seriously the points made by him and other hon. Members today.

On treatment, in line with what my hon. Friend seeks, primary care trusts are responsible for deciding on the provision of treatment and services that reflect local needs and priorities, including in relation to tranquilliser addiction.

I also want to talk about the availability of other treatments in providing support for mental health problems. In response to the point made by the hon. Member for Boston and Skegness, I can tell the House that the Government are investing significantly in the Improving Access to Psychological Therapies programme—IAPT, as it is known—to widen the range of treatment available for people with common mental health problems. The hon. Gentleman was critical of the funding and the support that has been provided for mental health services. Let me tell him that mental health services have received a 44 per cent. increase in funding and only a few months ago—just before Christmas—the World Health Organisation commended highly the strategy for mental health services in England and said that it was one of the best in Europe.

I will not accept any criticism from the hon. Gentleman and his party about the work that we have been doing to support and invest in mental health services. IAPT offers a range of NICE-approved therapies, including guided self-help, counselling, cognitive behavioural therapy, behavioural activation and exercise. Annual funding is rising to £173 million in the third year—2010-11—to train 3,600 extra therapists and treat 900,000 more people in those three years. This Government are proud of that record of investment and progress, which will make a real difference to supporting people with mental health problems. Those services can be provided in primary care, secondary mental health services or secondary substance misuse services depending on need.

The current range of measures that I have described might, in part, explain the fall that we have seen in benzodiazepine prescribing over the last decade. I am grateful to my hon. Friend the Member for Bolton, South-East for noting that in the all-party group's report. In terms of over-the-counter medicines abuse, it is likely that the range of measures and safeguards that we have established in the UK have contributed to our having fewer problems than other countries. I recognise that, considering the size of these problems, the evidence is limited and I assure my hon. Friend that I am not complacent about such an important issue. I will, of course, draw to the attention of the Minister of State, my hon. Friend the Member for Lincoln, my hon. Friend's request for a meeting with him and other officers of the group to present the findings of the report. I am sure that she would be delighted to meet him—although it is a bit naughty of me to say so on her behalf because she is not here—to learn about and discuss these issues in more depth.

I hope that what I have highlighted today reassures my hon. Friend the Member for Bolton, South-East and, indeed, the whole House that, as a Government, we are determined to do all in our power to minimise drug dependency in all its forms. This debate has been very useful in highlighting these important matters, and I congratulate the all-party group and my hon. Friend on securing the debate and presenting the findings of the group's report here today.

UK Deaf Sport

12.27 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I am enormously pleased to have secured this debate in the ballot because, as I will come to in the course of my comments, this issue is not just about athletes, but about the way that we treat people with hearing disabilities generally. I am also pleased to have secured the debate because, until a couple of years ago, we had a remarkable school called Hawkswood school in my constituency. It was a school for the hearing impaired and profoundly deaf, and although we fought long and hard to keep it open, sadly, we failed—although we secured other special needs schools. I will come back to the issue of why that particular school ended up going when we were able to save other special needs schools, because that matter has a bearing on the nature of this debate.

In essence, this is about a constituent called Ollie Monksfield. I want to set out the particular and rather personal story of Ollie because it illustrates the problem of a group of young men and women who have aspirations like everybody else to compete on behalf of their country, but who will find doing so impossible or so difficult that it is a scarring experience. Ollie Monksfield is profoundly deaf but he was selected to play for the British football squad at the deaf Olympics in September. He was part of the team that won gold at the last deaf Olympic games in Melbourne. I do not think that the deaf Olympics has ever been broadcast across the media but, none the less, I hope that we are proud of it—we certainly should be.

Interestingly, like many people with hearing disabilities, Ollie was not born profoundly deaf. He became deaf at about nine months when he was diagnosed with meningitis C. Ollie has always excelled at football. Interestingly, he was selected for trials for a major club. I was astonished on hearing that upon learning of his disability, the club refused him a place despite his obvious and impressive talent on the pitch. The Minister, who is on the other side of the House but is a good friend of mine in footballing terms, would be appalled by that, but that is another story. However, it illustrates what I am saying.

The point I wish to make today is that Ollie has managed, under a great deal of pressure, to raise some money towards fulfilling his dream of helping Team GB successfully defend its title in Taipei, but he and the others need to raise much more money. He personally has to raise another £1,000 by 30 June but is hitting brick wall after brick wall to secure his place. When I speak to him, he tells me that there is now every chance that he may not be able to go because he will not raise the money. Frankly, that would be a tragedy for him and the others.

I raised this debate because I am concerned that Ollie and his team mates should ever have been put in such a position. In a funny way, they are the little group that has been swept under the carpet without—I hope—anyone quite realising what was happening. I have never met anyone with disabilities who wants to rely on handouts, and these people are legitimately proud. They are proud particularly as athletes of what they have achieved in their own right.

I am enormously pleased—I know that the Minister is as well—to see how the Paralympics and other competitions have grown in the public's imagination. It is a sign of a just and decent society that we find a place for people with huge difficulties, not necessarily caused by anything that they had done to them during the course of their lives. That is a matter to be proud of.

It is almost as though the group has been cast aside. Ollie does not want to rely on handouts. He is a secondary school physical education teacher who works very hard every day. The decision to withdraw funding for the team to go out to compete in Taipei sends the wrong message. We should be doing all that we can to support all people with any disability, not just some while leaving others out.

I know, Mr. Wilshire, that we are not meant to refer to people in the gallery. None the less, I shall refer to someone who is not here. Ollie is too busy at school, but also, in conversations with him, he told me that he was concerned that he may not have been able to follow the proceedings. That, too, illustrates my point.

The fact is that the UK Sport grant of £42,000—that is all—to UK Deaf Sport was withdrawn, with effect from April 2008. The reason for withdrawing the funding is that UK Sport is apparently focusing mainly on the successful delivery of the London 2012 Olympics and Paralympics. I shall come to the budget later, but I ask now why that £42,000 had to be withdrawn from the deaf Olympic group. I find that rather strange.

UK Sport attempted to justify the cut, or reduction—whichever term one wants to use—by claiming that it needs extra funds to support British elite athletes in their goal to meet the target medal haul set for 2012. Like every citizen of this country, I was proud of what our athletes achieved at the last Olympics and Paralympics, and I hope that they do better next time around, but UK Sport has given a poor excuse to justify taking away that small sum of money. That cut clearly suggests that UK Sport does not value the success of all athletes, including those who do not have specific disabilities that are often in the public eye and, as a result, obvious, as well as mainstream athletes.

It appears that since the withdrawal of the money, no specific guidance has been given by anyone to Deaflympic athletes as to how they should go about raising alternative funds. Little consideration has been given to the communication difficulties that many of them have. I remind hon. Members that they have particular problems in this area.

I raise money for an organisation beyond politics, and for charities generally. Raising money requires a massive ability to communicate using the media, telephones and conversation, which makes things much more difficult for these athletes. There has been little or no support or help to pave the way for them to find money. After all, they never required a huge sum of money to go. I shall come on to the figure in a second. How are athletes with speech impediments and hearing difficulties supposed to raise funds effectively, when the majority of fund-raising practices involve one-to-one contact with potential donors, possibly even by telephone?

I understand that the Department for Culture, Media and Sport has said that deaf athletes are eligible for funding through the Paralympics, but I cannot believe that, as a majority of deaf athletes cannot join the Paralympic games because there is a shortage of

international deaf athletes to compete against. Perhaps the Minister has not been told about that. Theirs is a peculiar and particular problem. I did not know about it when I first had Ollie in my surgery talking about the matter. Once it was explained to me, I could understand how the problem may have been swept out of sight. No one has focused on this particular, necessarily small but none the less remarkable group of people.

It seems unfair that the UK Deaflympic team now does not receive any form of funding when the Paralympic team is in receipt of such funding, and in sizeable amounts. I shall come back to that in a second. The loss of funding means that each member of the Deaflympic squad will have to raise thousands to pay for their flights and accommodation. I do not understand how we got ourselves here, and I hope that the Minister is big enough—I know him personally and believe that to be the case normally—to think again about this and to find a way through.

I remind hon. Members of the history of the situation. The Deaflympic football team won gold at the last games in Melbourne in 2005. What a remarkable feat—I hope that we are all proud of it. What is also remarkable is that the team may now not be able to get to the next games to defend its title. It would be a matter of shame for us all if a group of athletes who have struggled and trained so hard were not able to assume their rightful place at the Olympics.

The figures speak loudly. UK Sport has pledged some £292 million—it is worth emphasising the figure, because it is so large—for the 2012 games to ensure that Team GB finishes fourth in the medal table. I hope that it finishes higher. The British Deaflympic team has not received anything like that level of consideration over the years.

In comparison, it would cost UK Sport approximately £500,000 in total, all done, to send the British Deaflympic squad to the games in Taipei this September. It is interesting that the cost per medal for a Deaflympic athlete amounts to £1,400, if one bases it on the last Olympics, as compared with the cost of funding an Olympic medal, which is about £1.6 million. We live in an age with much talk of value for money. That speaks loudly to me about value for money. I would suggest that another good reason for considering this group is that it tends to return the money invested in it many times over. It is worthy of major consideration.

Sadly, in May 2009, the independent appeals panel rejected UK Deaf Sport's appeal against UK Sport's decision not to help deaf athletes with funding. I hope that the Minister will not fall back on that as some kind of justification for the failure. The panel was fundamentally wrong and misguided, and I have no hesitation in saying that I hope that it realises what it was doing when it made that decision.

In the last few minutes before I conclude and give the Minister a chance to talk about what is happening, I want to raise a general issue. I would like to return to the subject of Hawkswood school, which is no longer in being. When it was closed, we were told that the children, many of whom signed and did not lip-read, would be fine because local secondary schools would cope with them when they went to those schools. After all, they were only hearing impaired, were they not? However, many of them did not lip-read and they had to learn a whole new culture of communication, which is a major change.

I do not know how many people listening to the debate or reading the report would be able to undertake such a change at reasonably short notice. More than that, I have since discovered that even those who lip-read have been in major difficulty—in a culture that, as is so often forgotten, sets deaf people apart from others—because teachers, for example, do not realise simple little things about children with profound hearing difficulties in their class. For example, the teacher may carry on with their normal routine of turning to face the white board while talking about what they are writing. However, the moment they break visual contact, that child is isolated from the rest of the class. Or teachers may do what they have done down the generations and walk to the back of the class while carrying on talking, leaving everybody looking at the white board. In those circumstances, deaf children who rely on lip-reading do not know what the teacher is saying. These little things are forgotten about because that child looks just like every other child in the class.

Too often, many deaf children are isolated and are mocked because they sound strange when they talk, which is often interpreted as their being stupid, although they are not. These children are sometimes definitely, as the play once said, regarded as children of a lesser god; they are people with severe disabilities, but nobody quite recognises that or feels comfortable in that recognition.

How galling for deaf sports people to find that, right now, essentially for a paltry sum of £42,000 a year, their hopes and aspirations are likely to be tossed aside. Other athletes who are perhaps more visually disabled—we can see and understand that they have suffered and struggled to get to their position as athletes—receive all our plaudits. These other athletes sometimes receive the sympathy of society far more easily than those who have a hearing impairment. Other disabled athletes have essentially been granted the £47 million and the rest of the athletes receive the £256 million, which, as I said, is a sizeable sum on which the Government and others should be congratulated. But people should remember that all the deaf athletes were asking for was a small sum to make it back to defend their title and compete successfully in the Olympics, as I believe they would have done.

No wonder, then, that deaf athletes too often see themselves as being shunted out of sight and out of mind. I plead with the Minister, who I know is a reasonable individual, simply to review this situation and recognise that no matter what happens, these athletes deserve a better deal than the one they have had. Society cannot simply shunt them off into a corner. These young men and women deserve the chance to reach their full potential, whether in football teams or in the Paralympics. It is time for us to change our attitude to people with a hearing impairment and give them the opportunity to play a fuller part in society and to receive the plaudits that are their due when they compete successfully.

12.43 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): It is a great pleasure to serve under your chairmanship, Mr. Wilshire.

[Mr. Gerry Sutcliffe]

I congratulate the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) on securing this debate and for the spirit in which he has put forward the case for his constituent, Ollie Monksfield, to whom I send my regards and best wishes on his career. I was appalled to hear what happened to him in respect of the football club and I am happy to speak to the right hon. Gentleman afterwards to talk about that. It is appalling that that happened to somebody with Ollie's talents.

I am aware of the long and proud history of the Deaflympics, which held its first summer games in Paris in 1924. Both the summer and winter Deaflympics are sanctioned by the International Olympic Committee. Although I acknowledge that the Deaflympics is not a contest between nations and that there is no classification at national level in the transcript of results, it would be remiss of me not to add my congratulations to the team on its success in Melbourne 2005, when it won 16 medals in eight sports—more than the host nation, Australia. I take great delight in our teams beating Australia at so many things, as the right hon. Gentleman knows.

I understand UK Deaf Sport's disappointment with the decision to cease funding the football team from this year. I should like to clarify why this difficult decision has been taken. That is not just a decision made in respect of UK Deaf Sport: nine sports were affected by UK Sport's decision. I will write to the right hon. Gentleman, setting out the details of those sports.

As the right hon. Gentleman said, UK Sport's primary goal is to support our ambitious targets for places in the top four on the medal table at the London Olympics and for second place in the Paralympics. This is clearly set out in the formal funding agreement between the Department for Culture, Media and Sport and UK Sport. As a result, UK Sport has focused its investment on providing funding support to our very best Olympic and Paralympic sports and athletes through their world class performance programme. This focusing of investment—this no-compromise approach—helped the Olympic team to achieve its best performance in 100 years in Beijing and it is why the Paralympic team maintained its second position in the medal table, despite an increasingly competitive field.

UK Sport's policy does not discriminate against deaf or hard-of-hearing athletes. Deaf athletes who meet the criteria for UK Sport's world class performance programme in either an Olympic or Paralympic sport will be supported. There are currently three athletes on the programme who are deaf or have declared a hearing impairment. In the past, that programme included the diver Antonio Ally, who competed in the 2004 Olympics.

UK Sport has taken a hard look at all its funding over the past few years to align it with its Olympic and Paralympic goals in the lead-up to London 2012. UK Deaf Sport has been impacted by this review, but it is not the only organisation to be affected. Neither I nor UK Sport revels in these difficult decisions that disappoint people, but we need to take them and to decide where best to place our resources to make the biggest impact on our goals. The outcome of this consideration is a focus of our resource on Olympic and Paralympic sports and athletes, but even these sports are not immune to the current financial restrictions. That is why we have tasked UK Sport with leading on a project to develop a permanent private sector funding stream for Olympic and Paralympic sport.

I should also like to put on the record that I am satisfied that UK Sport has treated UK Deaf Sport fairly during this difficult process. It provided a one-off payment of £75,000 to support our team at the 2005 Deaflympics in Melbourne. In addition, it committed to provide funding of £42,000 per year for the three-year period from 1 April 2005 to 31 March 2008. At the time, UK Sport made it clear that this funding was being provided to help UK Deaf Sport develop its organisational structure and other streams of revenue and that such funding would cease after 31 March 2008. This position has been reaffirmed to UK Deaf Sport on a number of occasions since then. As the right hon. Gentleman said, UK Deaf Sport appealed against UK Sport's decision to an independent panel chaired by a Queen's counsel. The panel dismissed the appeal, finding in favour of UK Sport.

I want to continue in the spirit in which the right hon. Gentleman raised this matter. It is right and proper for me, as Minister with responsibility for sport, to outline the Government's wider commitment to improving equality of opportunity from the grassroots up. The right hon. Gentleman will know that Sport England has recently made awards totalling £480 million over the next four years to 46 national governing bodies. For the first time, this includes funding for four Paralympic sports—boccia, goalball, wheelchair basketball, and wheelchair rugby—with awards worth in excess of £2 million.

All NGBs have been challenged to come up with plans that deliver participation growth right across the community. The criteria on which plans were assessed included their ability to deliver for priority groups. Those willing and able to do more are able to access more funding and, as a result, several sports are adopting challenging participation targets in this area. I was interested to notice that the right hon. Gentleman did not mention the Football Association. I am not sure whether the FA is contributing to deaf football, so perhaps we need to discuss that further afterwards.

Direct support is also provided through the English Federation of Disability Sport, which includes UK Deaf Sport amongst its affiliates. The EFDS was provided with more than £1 million of core Exchequer funding last year, with additional lottery grants to support disabled participation in sport. As part of the new award process, Sport England will also be offering new two-year funding settlements to its national partners from a £10 million pot. That is open to the EFDS and other organisations such as Sporting Equals and the Women's Sport and Fitness Foundation. The EFDS is working on its bid and how it will make connections into the NGB delivery system. I encourage UK Deaf Sport to work closely with the EFDS and its other members to ensure the best outcome for deaf sport.

Hon. Members should be aware that we have committed a further £4 million over the next four years to the EFDS and partner governing bodies to work with Sport England, the Youth Sport Trust and Paralympics GB to roll out the new playground-to-podium programme. That will ensure that our young disabled people in the community and schools are exposed to the highest quality development programmes, and that talent is given a chance to shine through. That will, of course,

benefit young deaf athletes who want to progress to UK Sport's world-class pathway programme.

The right hon. Gentleman will be aware that the Government are also investing more than £780 million through the PE and sport strategy for young people over the next three years. The strategy has equity at its heart and will reach out to all groups of young people who have been historically underrepresented in sport, including young people with disabilities. For example, by 2011 we will have in place a new network of 450 multi-sport clubs for young disabled people. The clubs will provide high-quality participation alongside competitive opportunities, as well as a focus on progression through high-quality coaching in a variety of sports. As importantly, we will provide schools and teachers with appropriate assistance and support to make those clubs successful. I fully understand UK Deaf Sport's disappointment and frustration, but these are difficult times, and we want to support our elite athletes for the London 2012 cycle. On behalf of the right hon. Gentleman's constituent, I am happy to explore the football element of his problem and to see what could be done.

The thrust of what we are trying to do is to ensure that EFDS puts itself aside from the main interest of each disability and tries to find a co-ordinated response on disability sport. We must give weight to the EFDS, to ensure that it can get to the NGBs, to which we have given funds. The bureaucracy has gone from Sport England, and the money goes straight to the NGBs.

Mr. Duncan Smith: The Minister is being helpful and lucid, but the complaint is that more help was needed to find other sources, and that help was not as forthcoming as it should have been. I agree that many of the contacts that he is suggesting, such as the Football Association and others, should have been included, but the help should have been forthcoming, and it was not. I hope that he will be able to speak to the organisation to persuade it that its job is not just to disburse money, but to help people to whom it is not disbursing money but who have a legitimate cause and an accepted name to find people from whom to raise that money.

Mr. Sutcliffe: That is a fair point, and I will speak not just to UK Sport, but to Sport England and the Youth Sport Trust when such situations arise. I am hoping that the English Federation of Disability Sport will become a stronger advocate for disability sport with the national governing bodies. One element of the support for governing bodies is that they have varying capacity to deal with certain issues. I want to set a standard for governing bodies, and to support those that do not reach that standard through no fault of their own—perhaps because they are run by volunteers or because of their capabilities. I am encouraging Sport England to examine each governing body to see what can be done to raise their capacity, and to consider where the gaps are in their whole sport plans, which each national governing body has submitted, and their priorities for how to reach hard-to-reach groups, of which disability sport is a key element.

I will take away some of the issues that the right hon. Gentleman has raised. I cannot make any promises about UK Deaf Sport and other sports that lost funding, but I hope that the EFDS review will be more forthcoming in the longer term. The right hon. Gentleman was right to raise the matter, and I will consider what can be done for the individual to whom he referred.

12.54 pm

Sitting suspended.

Minerals and Food Supplements

1 pm

Mr. Mark Todd (South Derbyshire) (Lab): This subject is familiar to me. Insomniacs will find that I have spoken on it in the past and that I led an Adjournment debate on it some years back. I will explain why there is an interest in my constituency in the subject, but first I shall set out a basic principle. I regard the consumption of food supplements in the same way as I regard the consumption of foods. It is largely a matter for the individual consumer to decide what they eat, based on advice from the Government about safety and an appropriate balance in the diet. Therefore, the key driver in this area should be the determination of safe levels of supplements that people should be entitled to consume. I am a libertarian in this matter and always have been.

However, the approach in this country differs from that taken in many other member states in the European Union, with which we are attempting to reach agreement on how to regulate the sector. Our approach is not common elsewhere in the European Union. Here, supplements can be purchased in a wide range of places: supermarkets, high street retailers, pharmacies and online. In some member states that take particularly restrictive approaches, these items, if available at all—many cannot be obtained at the dose level available in this country—are obtainable only through a pharmacist.

Therefore, when the European Union decided that we should seek to produce a single market for the products, it was entirely predictable that it would be hard to achieve that goal and impossible to achieve it through total consensus. I should make it clear that nevertheless I support the efforts to achieve that goal. It should be possible for a consumer in any part of the European Union to be assured of receiving a quality product and to be able to purchase it freely. That should be possible whether they are in our country or any other part of the Union. Furthermore, that would benefit companies operating in the UK—manufacturers and retailers—that are experienced in selling these quality products to consumers and that would welcome the opening up of opportunities elsewhere in the Union. It is certainly not my view that we should resist that process. However, I want to ensure that we do not sacrifice important UK consumer freedoms in achieving that goal.

As I said, I have a local interest in the matter. Although the company has gone through a variety of owners in my time as a Member of Parliament, it remains a substantial manufacturer in my area, and is now owned by Brunel Healthcare. Its site in Swadlincote is the No. 1 supplier of private-label vitamins and mineral supplements in the UK. It employs 180 staff. The impact on that business of the manufacturing of generic products, although by no means immaterial, will be relatively small. However, the parent company owns a collection of specialist health food brands that would clearly suffer from some of the possible consequences of the regulation.

The critical points that now need to be resolved—we are part-way through this process—are the maximum permitted levels of nutrients to be provided within supplements. The first test is safety: what is safe for a human being to consume? That is not an entirely straightforward question to answer. We have had difficulties in the past with the debate about vitamin B6. That has shown that achieving a degree of scientific consensus is not easy in an area that perhaps has not been subject to as much scientific scrutiny as others. Nevertheless, a reasonable body of research is available and it should be possible to produce a degree of certainty in this area.

The European Food Safety Authority has produced a list of safe levels for nutrients as part of the exercise. Understandably, however, that is not the whole answer, because those levels have to be moderated to take account of the quantities of nutrients present in other food sources and then assessed against the typical diets of European citizens. Those of us who travel reasonably freely will find that diets vary quite a lot across Europe. One might hope to be able to reach a standard position that says, for example, "This is how much fish oil might be consumed." However, it is by no means obvious that that is common across the European Union; nor is access to sunlight, which is a critical issue in deciding on vitamin D, for example. It is necessary to take account of a range of factors. In relation to the kind of nutrients that a particular diet should contain, there are also important ethnic characteristics to consider.

Producing a solid set of recommendations with firm certainty about them will not be possible; there will be substantial variances. Therefore, the culture of how that is done is quite important. The temptation, which the industry feels people will give in to, is to set the limits at the lowest conceivable level, taking into account all the variables that might be present and disregarding the consumer's own wish to make many of their own judgments. It is felt that one outcome would be to bar quite a number of products that British consumers have been used to having access to for a very considerable time, without any side effects that have concerned them up to now. It is not desirable for us to take that chance, so how we represent the UK position to the Commission is vital.

The Government, after a somewhat sleepy start a few years back, have been vigorous in arguing for the sector's interests and discussing with the sector the implications of possible models of regulation. However, we must face the fact that we have relatively few allies. As I said, much of Europe operates on a different model for the distribution of the products. Out of self-interest perhaps or, to put it more charitably, genuine anxiety at the lack of familiarity with the availability of such products in their countries, many countries will be inclined towards setting very low maximum levels.

I want to suggest some ways through the situation. We should prepare the way for a solution that permits some UK exceptions to the maximum levels that may be agreed. We have had the intellectual argument—I strongly endorse it—as to the principles of how the regulation should be set. However, it is reasonably clear that we shall not be able to assemble a blocking vote to support our position, so how do we ensure that we proceed in a way that will not harm our industry or the interests of UK consumers?

First, clear communication to consumers about the function of supplements in any diet can help. The Government already promote the use of supplements in certain circumstances. Advice is given on the supplements that a woman ought to take during pregnancy and breastfeeding. However, we also give advice in respect of those whose sun exposure may be very low, children

in certain circumstances and those of particular ethnic origins who may need to supplement their diet in certain ways.

The UK national diet and nutrition surveys of 1998 and 2003 showed various deficiencies in diet, on which any Government could provide proper advice. The surveys showed that 86 per cent. of UK adults consumed less than five portions of fruit and vegetables and that adults generally consumed less than one third of the recommended levels of fish oil. Dosages in the UK can be set in the context of robust information, permitting UK departures from any limits that vary materially from our current approach.

As I have discussed with industry participants, eating five portions of fruit and vegetables a day and consuming the correct amounts of various items—the perfect balanced diet—is how we should aspire to provide the nutrients that we need, but given the complex lives that many of our citizens lead, and the conflicting advice that some of them feel they receive about what they should eat, many of our aspirations will be thwarted. We must be realistic. Stronger communication can be provided about how to supplement inadequacies in diet.

Secondly, our northern location should, in any case, justify higher limits for certain supplements, such as those based around vitamin D. Clearly, we are different from Greece and southern Italy, and it is simply crazy to set a measure that ignores our climate and our geography.

Thirdly, we should ensure that the industry attaches appropriate warnings to items whose dose levels might be higher than the recommended maximum levels that emerge from the Commission process. Consumers should be allowed reasonable discretion based on a stronger knowledge of the place that a supplement might have in a diet. Part of the package that I am suggesting is more robust communication of any remaining risks, although, to be honest, such risks would be small, given the way in which we regulate the sector. Nevertheless, such measures would provide some reassurance to our European partners.

Finally, and generally, any limits that are set should permit revision based on new research and new models of consumer behaviour. Diet changes over time, and so, too, does sunlight. We must therefore accept a variety of factors as part of the matrix in determining policy. Any limits should not, therefore, be set in stone; there should be a process for revising them and bringing them closer to the reality of life on the day in question.

I turn now to the industry's role. The industry must be realistic. Simply opposing the setting of maximum dosage levels and implicitly resisting the directive cannot be effective in the long term. We simply do not have the votes to carry that position, because the UK has few allies on this matter.

At some point—the expectation is that it will be early next year—the Commission will press ahead with its initiative. If the industry can agree a combination of a distinctive UK market difference, leading to derogation in certain aspects and backed by clear obligations, and some minor concessions on dosage levels—that important qualification will not be welcomed by the whole industry—a deal can perhaps be struck.

One difficulty has been the understandable unwillingness to define where the priorities lie in protecting the ramparts. Protecting everything that is currently available may not be a realistic position, but it may be possible to make some small concessions. If we do not take that approach, we will be forced to accept a position that will disadvantage our consumers and disable our manufacturers, who would otherwise be well placed to exploit single-market opportunities. Not taking such an approach will also distort a currently very diverse sector.

Major UK manufacturers will face a short-term, relatively minor loss and then, we hope, enjoy the benefit of a larger marketplace. Generally, it will be the smaller specialist retailers and manufacturers who suffer and whose distinct offerings will be removed. One large retailer with a strong higher-dose product range will also face major damage and challenges.

The industry and the Government have not always managed to work well together. We need a determined effort over the next six months to produce a sustainable UK position that protects what we have. Such steps do not suggest that we have lost the argument, and I myself powerfully expound the argument that safety is the bottom line in what we are doing. As I said at the start, I firmly believe that our approach has been right and that our sector is vigorous and competitive and that it serves consumers, but we must face the reality that others do not accept our philosophy and we must construct an appropriate and robust plan B.

1.16 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): It is a pleasure to be with you today, Mr. Wilshire. I congratulate my hon. Friend the Member for South Derbyshire (Mr. Todd) on taking on the issue, obtaining the debate and putting his case so well. This is not my policy area, but I have learned much in preparation for the debate, and my hon. Friend's contribution has been interesting and informative.

I reassure my hon. Friend that the Government are aware of the concerns of the supplements industry, which have been raised today. Compared with other member states, the UK has a very liberal supplements market, which obviously pleases my hon. Friend. UK consumers therefore have a wide choice of products, including high-dose products that exceed recommended upper safe levels. The Government recognise that consumers who buy such products are extremely concerned that new regulations will reduce their choice.

The Government's objectives are twofold. First, we want to maintain consumer choice in the UK and continue to protect consumers. Secondly, we want to minimise the impact of future proposals and regulations on the UK supplements industry.

The supplements industry in the UK has two main sectors, which have different views on the legislation. The first, which makes up 72 per cent. of the UK market, is represented by the Council for Responsible Nutrition and the Proprietary Association of Great Britain and is broadly supportive of the directive. The larger manufacturers represented by those organisations retail in the UK, but wish to expand their markets across the EU. The second sector, which makes up 20 per cent. of the market, comprises smaller companies and specialist shops and is represented by the Health Food Manufacturers Association and the National Association of Health Stores. That sector wants to preserve the current UK market and the wide range of

[Ann Keen]

products that are produced and sold by its members. It is more likely to be adversely affected by regulations on food supplements.

The European Commission proposed the food supplements directive to introduce a harmonised safety-based approach to food supplements and to promote free trade across member states. It came into force in July 2002 and has applied in full since 1 August 2005. As my hon. Friend explained, it provides for the setting of maximum levels for vitamins and minerals in food supplements. It recognises that it is necessary to set maximum safe levels, as excessive intakes of vitamins and minerals may have adverse effects. Safety is therefore the key driver.

The European Commission has yet to publish proposals for setting levels. However, over the past four years, there have been a number of initiatives at national and European level to inform the process. The Food Standards Agency, which is the lead Government department, has played an active role in that respect. The FSA board and Ministers originally agreed the UK's negotiating position in 2005. That was done in the absence of Commission proposals and to allow the UK to begin discussions with its counterparts in other member states. The two-tier approach would achieve the Government's objectives on food supplements and it remains our negotiating line. It would allow higher-dose products with appropriate warnings, as my hon. Friend said.

In 2006 the Commission published a technical discussion paper in which it raised questions about the setting of maximum levels for vitamins and minerals. The FSA discussed those with stakeholders before preparing a response to the Commission. In 2007 an orientation paper prepared by the Commission identified models that might be used to establish levels, taking into account intakes from the diet, and suggested that levels might not need to be established for all vitamins and minerals. That is an approach that the Government support, in line with the principles of better regulation. Commission working group meetings with member states, to discuss maximum levels, started in 2007.

To focus on setting levels, taking into account national intake data, the Commission has invited member states to take part in an ad hoc working group. The FSA is participating in that group along with Germany, Ireland, France, Denmark, Poland and the Netherlands. In contributing to that work the FSA is working in partnership with all sectors of the UK industry to carry out simulations using our national diet and nutrition survey data, and is presenting the work to the Commission and the ad hoc group.

We recognise the concerns of small and medium-sized enterprises and the potential impact that maximum levels may have on businesses and consumer choice. The FSA, in conjunction with the Department for Business, Innovation and Skills, has been working with the Health Food Manufacturers Association to consider the impact in a number of hypothetical scenarios. My hon. Friend has spoken about Brunel Healthcare and the potential impact on its business of the setting of maximum levels. I encourage the company to forward the information to the FSA, so that that can inform discussions with the Commission on the effect that the setting of such levels will have on UK companies. Of course, I hope that other companies will do the same.

Separately to that work, the industry has also actively participated in an analysis by the European Commission of the economic, social and environmental impact of the setting of maximum levels of vitamins and minerals that can be added to food supplements. The UK, along with Ireland, France, Germany, Italy, Poland and Denmark, was used as a case study in the work, which will inform the Commission's impact assessment. My hon. Friend has noted that certain member states support much more restrictive levels than are currently available in the UK. The directive is clear about the idea that levels should be based on scientific risk assessment, taking into account intake of vitamins and minerals from the diet. The FSA is able to advocate that approach with its counterparts in other member states, and I would encourage the industry to do likewise.

The industry, however, must prioritise its objectives if the UK is to be successful in future negotiations. When the proposals are published, the Commission will hold a consultation on the proposed draft levels. The FSA will also undertake a consultation with its stakeholders before the Government position is finalised.

Mr. Todd: One element that might be considered is the degree of proportionality that should be applied to the matter. Risks in this area are tiny. In the debate on vitamin B6, for example, it was shown that there might be a short-term effect from taking the vitamin at extreme levels, but that it could be reversed relatively quickly just by ceasing dosage at that level. There is an issue of proportionality, concerning the genuine risk to consumers.

Ann Keen: My hon. Friend makes an excellent point and I know that officials who have heard it will take it into consideration. It is envisaged by the Commission that the maximum levels will be reviewed where there is new scientific data to support that. As has been mentioned, the industry should not therefore assume that the levels are set in stone.

Although my hon. Friend has not mentioned this point today, the Government are aware that the industry also has concerns about nutrition and health claims. EC regulation 1924/2006, on nutrition and health claims made on foods, has applied from 1 July 2007. It requires claims to be authorised and listed for use on food products in the EU. That is an important consumer protection measure, to help consumers to make healthier choices by removing from the market misleading and false claims that might be made about food, including food supplements. The Government believe that the regulation should be proportionate, and we achieved a number of successes during the negotiations to make the claims legislation more proportionate.

Mr. Todd: One of the anxieties that the industry has in this context, which Brunel Healthcare has raised with me, is about the timing of the implementation of any obligation to discontinue certain claims. Obviously, repackaging products is an expensive business, and so is designing new products that are compliant. One issue, therefore, is whether implementation is to be instant or whether it should happen over a period of time, taking account of the realities of a business.

Ann Keen: The Government are aware that the supplements industry continues to have concerns about the legislation, including those that my hon. Friend has just outlined, and particularly on the scrutiny that the

European Food Safety Authority will apply to the claims that have been submitted for assessment. As a result of those concerns, the FSA has persuaded the Commission and the EFSA to work more transparently.

The Commission has enhanced access to papers on its website and the EFSA has begun a process of stakeholder engagement on its assessment practices. I hope that I have addressed the points raised by my hon. Friend today. The FSA meets regularly with all the sectors of the supplements industry to maintain an open dialogue on both supplements and health claims, and I urge them to continue to meet on the issues debated today. I reiterate the Government's support for proportionate regulation. On the matter of maximum levels, we must re-emphasise that the aim is to protect consumers by setting levels based on safety, in addition to maintaining consumer choice.

Aerosol Technology (Climate Change)

1.27 pm

Tom Brake (Carshalton and Wallington) (LD): I am pleased that we can start a little early, which may enable us to dwell at greater length on the subject of the debate, which is the potential of aerosol technology to play a major role in tackling some issues relevant to climate change. I see the debate as having a six-fold objective: first, to highlight a technology that could assist in the battle against climate change; secondly, to highlight a technology that I believe could be a world leader, and therefore of huge benefit to UK plc; thirdly, to draw attention to the work of Mike Garrett MBE, who is the innovator with respect to the technology; fourthly, to give the Minister an opportunity to set out the Government's position on this important issue; fifthly, perhaps to secure a meeting with the Minister and her officials at a later date, to discuss the matter in greater detail—particularly with reference to what assistance the Government may be able to give; and, finally, to clarify what action the UK Government can take at European level to promote the type of technology in question.

Before I go into detail about the technology, it may be worth recognising that with respect to climate change the Government have taken some significant steps, most recently with the Climate Change Act 2008. The Minister will be very familiar with the legally binding targets in that measure, which also set up the carbon budgeting system, with its caps on emissions over five-year periods, and created the Committee on Climate Change. I acknowledge that the Government have taken action to date.

It is also worth dwelling on the fact that perhaps the best example of international action on CFCs that directly affected aerosols was the Montreal convention. Only when the international community identified the problem—the hole in the ozone layer—and finally decided that it had the will to do something about it was it possible to address that serious environmental problem. I acknowledge that the Montreal protocol has not completed the job, but 190 countries and the European Community have ratified it. By 2005, the parties to that protocol had phased out the production and consumption of more than 95 per cent. of all the chemicals controlled by the protocol, and we are now beginning to see a reversal in the damage being done to the ozone layer. The protocol's provisions should ensure that the ozone layer will return to pre-1980 levels by 2050 or 2075. I refer to that only to show that when a decision is taken to do something it is possible to achieve a global change.

I turn to the meat of the debate. KBIG is the company driving the challenge. I have no interest to declare other than the fact that the business is based in my constituency. I have met people from the company on a couple of occasions, and I believe that it is doing work of great value. It was co-founded by Mike Garrett, who invented the Vitox oxygen dissolver. I hope that the Minister will not ask me to give a precise explanation of what it does.

Vitox is a market leader. It is used for the highly efficient addition of oxygen to polluted and waste water treatment plants. That is my understanding of what it does; it clearly plays an important role. Many such units are operating throughout the world—for instance, in

[Tom Brake]

reclaiming polluted waters in Hong Kong harbour and in emergency use on the River Thames. Indeed, many here today will be familiar with the Thames Bubbler, which runs along the river putting oxygen back into the water. It is one example of the work being done by Mike Garrett on aerosol technology, which I am about to outline in some detail. It is a creditable product, which has been rolled out worldwide. As an inventor, Mr. Garrett should be credited with identifying and developing new products.

I now come to a more detailed description of the aerosol technology, which I believe could make a substantial difference to climate change. I do not apologise for the technicality of the description; it is necessary to demonstrate that the technology is viable, well researched and is not lacking in credibility or substance.

KBIG's technology provides a new form of propellant for use in delivering products, especially in aerosols—a propellant that is more environmentally safe than conventional liquid gas. Given concerns over CO_2 emissions, it is important that it is recovered from existing industrial processes. It is not newly created CO_2, but is recovered from other industrial processes.

It works by using an activated carbon adsorbent. The properties of the propellant are modified to produce a low pressure drop from a full to an empty canister as the product is dispensed. The pressure change is lower than that of a liquid propellant subjected to the typical variations caused by changes in ambient temperature. Furthermore, the pressure drop can be largely tailored to a value commensurate with the required properties of the canister in use. For those familiar with aerosol products, the technology is particularly suitable for use with internally bagged products. The aerosol contains a bag with the propellant, so it is commercially viable but cost neutral as against petroleum-based products.

Members will know that liquefied gas propellants have been used in aerosols for many decades, although everyone will be familiar with some of their drawbacks. They contribute to major environmental damage. Aerosol cans should not be put on a fire as they are flammable, and explosive when mixed with air. Aerosols also feature in solvent abuse—something that all Members will want to reduce. Members may not be aware, however, that aerosols can cause allergic reactions; and important to the manufacturer and retailer is the fact they can introduce undesirable odours into the canister product.

Pressure changes in liquefied gas propellants caused by changes in the ambient temperature can lead to a complete loss of propellant effect in cold weather. One solution to this is the use of permanent gases such as air or carbon dioxide; the pressure alters less in response to temperature changes but it is rapidly lost as the contents of the canister are expelled. A propellant system is required that captures the better features of both systems—one that is not dangerous but one that will ensure that the aerosol does not experience the significant drop in pressure that makes the remainder of the product redundant.

The sort of propellant developed by KBIG was first proposed decades ago. However, until recently no viable commercial implementation had been secured. KBIG developed the product, asking manufactures and others to challenge it and say whether it would do the job, and then refined the process to ensure that the product was commercially viable and functioned as the manufacturers wanted. A programme to achieve this was initiated by KBIG in 2003, with a number of industrial partners. Solutions were tested and refined to enable the technology to meet the exacting criteria necessary for commercialisation.

I have a physics degree, but I do not know what the Minister's background is. However, although I understand something of how the propellant works, some of it required a little explanation from Mr. Garrett. Adsorption is the phenomenon of gas molecules becoming reversibly attached to a surface of a material by the interaction of molecular forces. The number of molecules held on the surface is dependent on the surface area, the temperature, the pressure, and the nature of the gas and the surface. Normally the adsorption is not very evident, but some materials have a porous or layered structure that results in much larger surface area. In case that was not understandable, I shall illustrate the important point: given the nature of the element, 2 ml of activated carbon has a surface area of 1,500 sq m. Considering that 2 ml is smaller than the inside of the circle that I am making with my finger, to have a surface area of 1,500 sq m is quite dramatic. That is why activated carbon is so useful in providing the propellant capacity needed for aerosols.

Workers attempting to incorporate activated carbon as an aerosol propellant encountered problems. For example, initially, the heat generated was sufficient to melt the plastic components in the canister, and other difficulties were encountered in ensuring consistent performance. Also, a priority was to ensure a product without impurities, which—I guess—reduce the level of adsorption and, therefore, the efficacy of the propellant. However, various ways of reducing and eliminating such problems were identified.

I must now get very technical again on the manufacturing of aerosols. However, I am sure that if my technical description is inadequate, the representatives of KBIG here today will set me right. The system is designed to be incorporated into existing bag-on-valve gassing and filling lines. To keep out impurities, the activated carbon granules are added under an atmosphere of carbon dioxide. The source material for the carbon granules is coconut shell. This widely available waste product has the advantage of providing both the activated carbon and the energy source for firing the furnaces needed to create it in the first place. It is a very environmentally friendly process fired by carbon already created through the process of generating the activated carbon. The carbon granules are then absorbed by the aerosol, and as the aerosol is used and the product expelled, creating a vacuum within the aerosol, the gas caught in that 1,500 sq m of surface area can be released into the aerosol. It will maintain the pressure and ensure that the product continues to work. That is a layman's explanation of how it works.

KBIG thinks that this technology will be attractive to fillers—it is already in discussions, but I shall mention no names—because adding the granules to the production line, and placing them in the canisters, is a very simple process. Very little, if anything, is required for the re-tooling of manufacturing lines to put that into operation. The inertness of carbon dioxide, combined with its non-flammability—there are no worries about putting the aerosol on a fire—makes it a good replacement for

LPG-type propellants. Given the flammable nature of existing propellants, it will also ensure a lower risk of incident within the manufacturing environment.

I hope that I have given the Minister a reasonable feel for this technology, how it works and why it has significant and very positive environmental implications. However, in case I have not already convinced her, and to illustrate my point further, I shall give some figures. She will be aware that, between 1990 and 2006, UK emissions from volatile organic compounds fell by 62 per cent. However, as of 2006, it is estimated that solvent and other product use accounts for 44 per cent. of VOC emissions. That will have a climate change impact. Providing an alternative type of propellant and doing away with LPG-type propellants will reduce those emissions and have the associated and very positive climate change benefits.

I hope that the Minister will agree that this type of product has the potential to be a world leader and of huge benefit to UK plc, and KBIG is certainly willing to put its product to any test that interested companies or bodies want to put it to. I also hope that the Minister has noted the work done by Mike Garrett MBE on the product. I would now like to give her the opportunity to set out the Government's position on aerosols, climate change and, perhaps, on this particular technology. Is she willing to meet with those involved, should it be thought helpful? I also hope that she will set out the action that the UK Government can take to ensure that this type of technology is promoted within the European Union, which is considering the issue of aerosols, gases and so on. There might be an opportunity to push for these measures in Europe.

1.46 pm

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): I congratulate the hon. Member for Carshalton and Wallington (Tom Brake) on securing this useful debate. I can assure him, as a science graduate myself, that I was able to follow his technical explanations. This debate raises an important environmental issue with implications for addressing climate change. It is certainly helpful to consider possible alternatives to the use of volatile organic compounds in aerosol propellants.

The UK aerosol industry is a dominant player in the European market, producing 25 per cent. of all the aerosols used in Europe. The UK produces 1.4 billion aerosols annually, of which more than 50 per cent. are exported, and consumes about 600 million units across the different application sectors. The aerosol industry has reacted responsibly to past environmental issues. After chlorofluorocarbons—CFCs—were found to be the ozone-depleting substances causing the so-called "ozone hole" over the Antarctic, the industry voluntarily removed CFCs from consumer aerosols 20 years ago—ahead of the ban under the Montreal protocol.

Hydrofluorocarbons—or HFCs—were then found to be greenhouse gases, and a voluntary restriction on HFC use in aerosols has been in place since 1995. The aerosol industry has worked with the European Commission to revise the 2008 aerosol dispensers directive to try to solve issues associated with the use of compressed gas as a propellant. It is important that the industry continues to keep developments in propellant technology under review, in relation to both environmental and application issues.

The hon. Gentleman mentioned that it is usual to use propane and butane as the main propellant in aerosol products for most applications, as it enables them to meet the efficacy and high-level performance required from these products. The VOCs utilised in aerosols serve three main functions: first, they generate good quality sprays; secondly, they are quick-drying solvents that allow the product to be applied in the correct proportions; and finally, they keep the pressure in the can constant, so that the aerosol stays in an effective state until it is finished. Consequently, these sprays emit VOCs into the atmosphere. However, it is worth noting that they are only one of a number of emission sources of man-made VOCs. There are also natural and biogenic volatile organic compounds that are emitted from trees and vegetation, particularly in the summer. As a result, VOCs from aerosol sprays account for a very small amount of all VOC emissions and, where feasible, the industry has developed products so that they contain the minimum amount. To put this in context, inventory estimates show that total anthropogenic emissions of VOCs in the UK in 2007 were 940,000 tonnes, of which about 6 per cent. were estimated to be from aerosols.

Tom Brake: I hear what the Minister is saying about how, relatively speaking, it is a small percentage of overall emissions, but she will also be aware that the Government have a very challenging target of 80 per cent. reduction in CO_2 emissions by 2050 and that they will need to take every single measure that they can from wherever it is available.

Joan Ruddock: I could not agree more. Having just set the world's first carbon budget in this Parliament I am more than aware of just how stretching our targets are. It is important to get the context and to see what the contribution might be, which is what I am currently doing.

A reaction with nitrogen oxides in the lower atmosphere produces ground-level ozone and other photochemical oxidants. It is worth bearing in mind that we have identified around 200 different VOCs that can contribute to ozone formation. Some are more reactive and so cause more ozone to form than others. If present at high enough levels, ozone can be harmful to human health and damage vegetation. Ozone is also a greenhouse gas, so VOCs have an indirect, though small, effect on the resultant warming of the atmosphere. The hydrocarbons in LPG have a low global warming potential, owing to their indirect effects on ozone and also methane, but the warming caused by VOC emissions from aerosols is only slight. Although their environmental impact is relatively small, the Government welcome any further reductions in aerosol emissions of VOCs into the atmosphere. We are willing to hear direct from any company that has developed aerosol products that are potentially beneficial to the environment, such as those based on alternative propellant systems using compressed gas, so that we can consider whether to factor them into our environmental policy as appropriate. We are interested in being informed about the activated carbon and carbon dioxide propellant system to which the hon. Gentleman referred in this debate.

Tom Brake: I should like to raise a health issue, which I know is slightly outside the Minister's remit. Do the Government also take into account the possible health impacts of some VOC propellants against other alternatives that might be available?

Joan Ruddock: Indeed we do, as does the European Union, which has been progressing discussions on how to reduce the level of VOCs that people are exposed to.

As a result of hearing about this technology, my officials have contacted the company concerned to find out more about the product, and to provide details of relevant contacts in both my Department and the Department for Environment, Food and Rural Affairs. As for the question about whether a meeting could be facilitated, I am more than happy for that to happen, and I am sure that the officials will be delighted, too.

I have noted from the hon. Gentleman's comments that this particular technology is claimed to reduce carbon dioxide emissions. He made the point that it was the use of existing CO_2 that was coming from waste product. Clearly, any use of CO_2 causes concerns as do whole life cycle analyses. When he talks about producing activated carbon and using furnaces to do that, there has to be a whole life cycle analysis to make proper comparisons. We would need to be convinced that there is such a benefit, despite this apparent contradiction—CO_2 being our major greenhouse gas—and that using CO_2 in that way would not produce the problems that were encountered when replacing CFCs and then getting a gas that in itself was even more problematic. If this technology does indeed have the net effect of removing some CO_2 from the atmosphere, then it would certainly be welcomed. However, the efficacy of such so-called "green" propellant systems is also a key factor to consider, as well as their overall carbon footprint. My understanding is that although the aerosol industry—both in the UK and worldwide—has a strong interest in developing compressed gas systems, which offer a similarly high level and consistency of performance as liquefied gas systems, so far they have had only limited applicability. Clearly that is another factor that needs to be considered.

On a broader point, perhaps more consideration should also be given to alternatives to aerosols. I stress that point because behaviour change is one of the keys to reaching our carbon targets, and there are many means by which people can dispense the products that they seek to use, particularly when it comes to products such as deodorants and antiperspirants that do not require the use of aerosols themselves.

Tom Brake: If there is behavioural change within the consuming public because they identify a product that is greener than the alternatives, does the Minister believe that the Government have any role in trying to encourage that process to increase the uptake and highlight the environmentally preferable option?

Joan Ruddock: Indeed we do, and we have a major programme of public engagement that addresses all forms of behaviour change. There is also the European directive on energy-using products. We have a whole team of people located within DEFRA who work on sustainable consumption and production. The hon. Gentleman is absolutely right. Behaviour change depends not just on asking people and educating people about how they might change but offering them choice about products and giving them appropriate advice.

This autumn, DEFRA will be consulting on its green claims code, which outlines current UK and EU legislative requirements, and provides guidance on how to make self-declared environmental claims. The consultation will seek comments on whether new sector specific guidance is required.

There is also the prospect of future legislation on VOCs. The European Commission is considering whether to amend existing legislation on the emissions of VOCs from certain products, which could have wider implications for some aerosol products. Under the paint products directive, the marketing of many paints and varnishes is prohibited if more than the specified amounts of solvents are included in the product. I understand that the European Commission has employed consultants to advise on whether that approach might be extended to other products, including aerosol hairsprays, deodorants and antiperspirants, which use organic solvents as propellants.

DEFRA officials attended a recent workshop in Brussels to discuss the matter. The Commission plans to complete its assessment and, if appropriate, adopt a proposal for amendment of the directive in two years' time. That is another reason why we would be interested to hear details of this and any other environmentally "green" aerosol product that may inform the development of the UK position should such a directive be brought forward.

Another factor to bear in mind is that the current EU national emission ceilings directive sets annual emission levels for VOCs for the UK to achieve from 2010 onwards. A proposal to revise the NECD is expected towards the end of this year. A revised NECD is likely to set more stringent emission ceilings for VOCs. The ceilings are intended to tackle transboundary air pollution problems, including the formation of ground-level ozone, and also acidification and eutrophication. The European Commission proposal has been delayed until this year to allow co-ordination with action to set greenhouse gas targets—a move proactively supported by the UK. The National Atmospheric Emissions Inventory is currently within the 2010 emission ceilings set out in the existing NECD.

I am grateful to the hon. Gentleman for raising this debate on aerosol technology and its potential connection with climate change. Climate change is a priority for this Government and we are interested in any forms of new technology that can enable us to meet the stringent domestic targets that we have set in law for ourselves and also to enable us to make a contribution to a global deal, which will depend on the transfer of new technology around the world.

Question put and agreed to.

2 pm

Sitting adjourned.

Westminster Hall

Wednesday 17 June 2009

[MR. GARY STREETER *in the Chair*]

Regional Aviation Policy

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Watts.)*

9.30 am

Phil Wilson (Sedgefield) (Lab): I thank the Speaker for selecting this important subject for debate and it is a pleasure to see you in the Chair, Mr. Streeter. I also welcome the Minister to his new post.

I shall be discussing the importance of regional aviation policy in the context of its impact on regional economic development. No one can deny that we live in a world where economic relationships between countries and continents are more globalised than ever before. In such a world, connectivity is paramount. Communications are now instant; we think nothing of turning on the news to watch a live TV interview with somebody on the other side of the planet. Likewise, reaching the other side of the world in person is much easier than it has ever been thanks to air travel. It is estimated that more than half the UK's population fly at least once a year, whether on holiday, to visit family and friends or on business.

Business-to-business connectivity is part of what makes the globalised economy go round. It is important to the UK as a major trading nation and equally important to our regional economies. Aviation is a crucial part of the UK's goods distribution network, playing a particularly strong role, for example, in the movement of high-value freight. Some 30 per cent. of UK exports by value are transported by air. Heathrow is the world's second biggest cargo handling airport. More than half the UK's total air freight passes through it, which means that the remaining 50 per cent. leaves through other regional airports.

Aviation plays a vital role in connecting the UK's regions to London and, through direct international links, to the global markets. The Airport Operators Association estimates that the airports that it represents handle more than 228 million passengers. According to a CBI submission to the Select Committee on Transport inquiry into the future of aviation, CBI members, particularly in Scotland and Northern Ireland, regard air links with London as very important for their businesses. In fact, 73 per cent. of respondents to a survey of City of London businesses said that air services were either critical or very important in providing direct contact with clients and service providers, and 64 per cent. said that they were either critical or very important to internal company business.

The aviation industry makes a major contribution to the UK economy. Oxford Economic Forecasting demonstrated in 2006 that the industry contributed £11.4 billion to UK gross domestic product in 2004. In addition, the aviation industry directly and indirectly supports 700,000 jobs.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I congratulate my hon. Friend on securing the debate. To give a consumer perspective from the north, Glasgow airport is targeting people living in the north of England who tend to travel to Manchester to catch a flight. Glasgow is closer for some, as well as cheaper, given that Scotland and England have different school holidays. I welcome the initiative of targeting those people to get them to travel from Glasgow, rather than from Manchester, London or anywhere else.

Phil Wilson: I thank my hon. Friend for that intervention. What is absolutely apparent from my research—I have an airport in my constituency as well—is the importance of regional connectivity not just to Heathrow, but to other airports in the country and globally.

Assuming that aviation continues to grow in line with Government forecasts and historical trends of the past decade, aviation's contribution to GDP will rise to some £19.7 billion by 2010. It is the backdrop to a vibrant industry, but it is also an industry that is itself facing challenges in the UK regions, and those challenges are having an impact on the UK's regional economies.

There are 22 regional airports outside the south-east, and they carry more than 500,000 passengers a year. The main aviation challenge facing the regions is the lack of connectivity between their airports and Heathrow. In 1995, Heathrow served 21 domestic destinations. Today, it serves only six: Belfast, Manchester, Glasgow, Newcastle, Edinburgh and Aberdeen. Leeds Bradford in Yorkshire and Durham Tees Valley airport in my constituency ran flights to Heathrow until this February, when BMI withdrew those services. Today, Schiphol airport in Amsterdam and Paris Charles de Gaulle serve more regional airports in the UK than does Heathrow—Schiphol serves 19 UK destinations and Paris CDG 14.

I find it bizarre that UK regional airports must rely on international hubs outside the UK to gain access to the wider world. A briefing from BAA bills Heathrow as the UK's global gateway. I cannot see how that is true when fewer UK regional airports have access to Heathrow than to Holland and France.

Lembit Öpik (Montgomeryshire) (LD): On that point, does the hon. Gentleman agree that there is an environmental irony at play? The environmental movement says that we should not provide access to internal aviation within the UK, but that simply forces people to fly east before going west, which is obviously worse for their carbon footprint than if they made direct journeys from here.

Phil Wilson: The hon. Gentleman is absolutely right. I will come to that point later.

David Taylor (North-West Leicestershire) (Lab/Co-op): What the hon. Member for Montgomeryshire (Lembit Öpik) says is undeniable, but what underpins planning for aviation is the aviation White Paper launched in December 2003 by the now Chancellor of the Exchequer, which discussed stringent environmental controls on regional airports, as the London airports, by and large, are designated, so the Secretary of State for Transport can do something about unacceptable environmental downsides such as night noise. Is that not the problem?

[David Taylor]

East Midlands airport is one such regional airport. We welcome its jobs, low-cost flights and other benefits, but we do not welcome the freight noise that affects communities around the periphery of the airport and under its flight path. However, there is no respite and no control from an effective local master plan.

Phil Wilson: The environmental aspects are important, but looking into the future, the technology and the kinds of aircraft coming on stream might help to mitigate those environmental impacts. It is an issue, but the industry is trying to tackle it.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I pay tribute to my hon. Friend's optimism about what the industry might do, but the proposals and suggestions for improvements are still on the drawing board and the practical consequences are very much of the type suggested by my hon. Friend the Member for North-West Leicestershire (David Taylor). I suggest that my hon. Friend the hon. Member for Sedgefield (Phil Wilson) take more account of those concerns in relation to the policies that he is advocating.

Phil Wilson: I will take account of them, but the main point that I want to convey concerns the future growth of regional economies and the importance of regional airports to that. Because of the lack of capacity at Heathrow, aeroplanes are now stacking above London, which has an impact on the environment as well. There are a lot of issues that we need to take into consideration.

Moving on to the reasons for the anomaly, many UK airports are operating at the limit of their capacity. Heathrow is full up, operating at 99 per cent. of capacity, compared to other European hubs, which operate at about 70 per cent. Heathrow has only two runways, while Frankfurt and Paris CDG have four and Schiphol five. That has implications for Heathrow's ability to continue functioning effectively as an international hub. Operating so close to the limits of capacity means that the airport's resilience—for example, the ability to cope with unforeseen circumstances such as adverse weather conditions or significant flight delays—is limited.

Air traffic is predicted to continue growing, so it is essential that action is taken to ensure that the UK's competitiveness is not undermined. The macro-economic benefits of capacity expansion at Heathrow were quantified by Oxford Economic Forecasting in its October 2006 report, which found that a third runway at Heathrow would generate wider economic benefits estimated at £7 billion in additional GDP per year. More recently, the Government's consultation document estimated net benefit of about £5 billion a year. That is why the third runway at Heathrow is, in my view, essential. However, construction of the runway will take until 2018 or thereabouts to complete, so what do we do between now and then to help UK regional connectivity with Heathrow?

Bob Spink (Castle Point) (Ind): The economic factors must be balanced with the societal and environmental considerations. We must always listen carefully to local communities. Does the hon. Gentleman agree that, as a measure to tackle the shortage of capacity, an estuary airport would be a disaster on virtually every level? Despite that, it is being promoted heavily by many Conservative MPs from Essex and the Conservative Mayor of London?

Phil Wilson: I agree with the hon. Gentleman. We should consider existing flexibility in airport infrastructure, so that we can make what we have work.

I will use Durham Tees Valley airport in my constituency as an example. There are important links between the Tees valley and Heathrow. The economy of the Tees valley is based on the largest integrated process industrial complex in the UK. It contains industries specialising in petrochemicals, energy, renewable energy, biofuel and steel-making. It has the third largest port in the UK. There is also a world-class advanced engineering industry, which is based on the design, construction and maintenance of petrochemical plants, steel works, power stations and major infrastructure such as bridges. In addition, the region has the Wilton centre, which is Europe's largest non-military private sector research centre. The petrochemical industry alone contributes £3.5 billion to the UK economy and 70,000 UK jobs depend on it.

In Sedgefield, NETPark boasts cutting-edge technology in high-value goods production—that is showing the way in new industries such as printable electronics and nanotechnologies. The Saudi Basic Industries Corporation—SABIC—is constructing the world's largest low-density polyethylene plant at Wilton, with an investment of £200 million. The Biofuels Corporation operates the world's largest biodiesel plant at Seal Sands and Ensus is constructing the world's largest bioethanol plant there. A pipeline is expected, which will deliver £4 billion through renewable energy plants, biofuel plants and advanced engineering. The integrated chemical complex, which was formerly owned by ICI, is now owned by 26 multinational companies such as SABIC, Dow, Huntsman, Avecia, Johnson Matthey and GrowHow.

We must consider the jobs provided and exports produced by world-class multinational companies such as AMEC, Whessoe, Aker Kvaerner, Cleveland Bridge and K Home Engineering. The north-east is the only English region that exports more than it imports, yet the local airport does not have access to Heathrow—the UK's global gateway.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Does the hon. Gentleman intend to speak about aviation in the context of other modes of transport? Lord Adonis is a great advocate of high-speed rail. The region that the hon. Gentleman represents is exceptionally well placed to benefit from the development of high-speed rail within a short time scale.

Phil Wilson: I welcome any ideas on high-speed rail, but the current proposals will not be connected to the north-east. I think I am right that if all the trains we have were filled with passengers who would otherwise have taken flights, Heathrow would still run at 90 per cent. capacity. High-speed rail might be part of the solution, but it is not the whole solution.

Mr. Julian Brazier (Canterbury) (Con): Yesterday, we had a debate on Heathrow and we are covering much of the same ground. Intermodal links are crucial. It is no accident that Flybe, one of the most successful and

profitable airlines in the current difficult market, has an absolute rule that it will not fly to airports where the rail links take more than three hours. I urge the hon. Gentleman to read the report of yesterday's debate. We must stay on the regional factors today and look at the problems with the Oxford case.

The hon. Gentleman should ask himself why the number of flights to Heathrow has increased while the number of destinations has dropped. The airlines are maximising the use of a handful of extremely profitable routes.

Phil Wilson: I will come to that last point and consider the hon. Gentleman's remarks.

Critics will say that Durham Tees Valley airport has access to Schiphol airport in Holland. That is true and welcome, but the problem with Schiphol is that it does not connect with Australia, and its connectivity has reduced by 45 per cent. to the middle east, 27 per cent. to Asia and 31 per cent. to north America. It is not a Heathrow substitute, but complements it. I understand that there is pressure on Schiphol to limit its capacity in the long term, which could reduce connectivity to the region even more.

Mr. Jamie Reed (Copeland) (Lab): Is my hon. Friend really telling me and the House that for his constituents to travel to Heathrow, they have to go via Schiphol?

Phil Wilson: That is true. If my constituents need to get to Heathrow to get to Australasia, they could do that. It seems odd that we have to travel to international hubs outside the UK to gain access to the rest of the world.

Lembit Öpik: Does the hon. Gentleman agree that any attempt to limit air travel by making it less convenient to make intercontinental journeys from the UK is utterly naive? Price is a consideration, but the desire to make the journey is much more significant. People will find ways to make journeys by making changes outside the UK, even if it is less environmentally friendly and more time-consuming.

Phil Wilson: The hon. Gentleman is right.

Paragraph 4.47 of the consultation document, "Reforming the framework for the economic regulation of UK airports" states:

> "The crowding out of regional services from capacity constrained Heathrow is unlikely to have an adverse impact on regions providing regional connectivity is maintained via alternative airports."

If the experience of Schiphol is anything to go by, I do not believe that that statement is accurate. It is not in the interests of this country to encourage our nationals to use another country's airport as a hub. What does that say about our faith in Heathrow and our commitment to the regions?

I believe that there is a way through the problem. The Government are listening. The draft regulatory framework has been put out to consultation. On 24 March, I had a meeting with the Minister's predecessor, along with the Minister for the North East and my hon. Friend the Member for Stockton, North (Frank Cook) and my right hon. Friend the Member for North-West Durham (Hilary Armstrong). We were told that the Department has deemed it necessary to look at the wider economic impact on the regions, rather than focus narrowly on the regional airports. I look forward to hearing from the Minister when we will hear the results of the consultation.

Unlike the Opposition, the Government have not written off Durham Tees Valley airport, and thereby the Tees valley. One Opposition spokesman said that the north-east could not sustain two airports. We know that their commitment to the regions is minimal because they oppose the development of the third runway at Heathrow.

One of the key factors in BMI's decision to terminate its flights to Heathrow from Durham Tees Valley was the charging policy at Heathrow. At most hub airports around the world, domestic and short-haul services co-exist with long-haul networks, and landing charges are based on the take-off weight of the plane, with smaller aircraft having lower landing charges than larger ones. At Heathrow, landing charges are the same, regardless of the size of the aircraft. I have christened that policy "the poll tax with wings". Heathrow airport is operating at capacity. Airlines make more money from long-haul than short-haul flights and are therefore keen to use scarce slots for long-haul flights. The market strength of Heathrow therefore works against regional connectivity.

Central to BAA's financial performance is its ability to maximise ancillary revenues from areas such as retailing and catering. That involves maximising passenger throughput at the airport. It is therefore in the interests of BAA to encourage larger aircraft to operate from the airport at the expense of smaller ones, because there are limited opportunities to grow the number of aircraft movements.

The charging structure at Heathrow before the recent increase reflected those incentives. For example, a 49-seater Embraer RJ145 from Durham Tees Valley cost each passenger £12.76 in landing charges, compared with £8.68 for an Airbus A330. The recent changes have made the differential much worse. The increase in charges has a substantially greater impact on operating margins for short-haul services. Combined with the substantial incentives for airlines at Heathrow to switch slots to long-haul services, that has resulted in the loss of flights between Heathrow and Durham Tees Valley. As a consequence, BMI made a commercial decision to withdraw its flights from Durham Tees Valley and is using those slots to fly larger planes from Kiev, Tel Aviv and Riyadh.

In response to these pressures, BMI puts pressure on regional airports to reduce their landing charges, and because those flights are important, the landing charges are reduced. There is no longer any scope for further reductions, and consequently, increases in landing charges at Heathrow make regional airports less profitable. The Department seems to be arguing against regulation in this area, which we should consider, because Heathrow's capacity is constrained and because the prime concern is to ensure as many connections as possible between Heathrow and the rest of the world.

That brings me back to my earlier point. How can Heathrow be the UK's global gateway if the vast majority of our regional airports do not have access to it? Lack of regulation, and people's inability to think outside the box, have put us in a perverse situation in which British regional airports are forced to link up with international hubs in Holland and France, while Heathrow, the UK's global gateway, is used to maximise profits for its Spanish owners. Meanwhile, multinational companies on Teesside

[Phil Wilson]

and elsewhere try to reach out to global markets. There may have been some thinking up to where we are now, but I am afraid it has not been joined-up.

Norman Baker (Lewes) (LD): If there were a third runway at Heathrow, which my colleagues do not support—*[Interruption.]* It would, for the reasons the hon. Gentleman has given, be used for further intercontinental flights with maximum profit for the owners of the airport—*[Interruption.]* The right hon. Member for North-West Durham (Hilary Armstrong) continually talks from a sedentary position. If she wants to make a speech, she should do so. Would not the third runway simply be used to carry on existing practices, rather than to provide the regional slots the hon. Gentleman wants?

Phil Wilson: Let me continue with my speech and I shall propose how we could prevent that from happening.

Heathrow is a major national economic asset, but it is not available to half the country. The Government's objectives include improving the economic performance of all English regions and reducing the gap in economic growth rates between regions. How can those aims be achieved if we disadvantage peripheral regions that have world-class industrial sectors, and if we fail to regulate airports to safeguard links to regional airports?

Whole areas of the UK, including Teesside, Yorkshire, the south-west and Wales, cannot access Heathrow and are directly disadvantaged as a result of their inability to gain access to world markets through that major national asset. The draft regulatory framework, which has just been out to consultation, suggests that the answer is a public service obligation, or PSO, but goes on to say, at paragraph 4.48, that

"no applications to impose PSOs on London routes have since been received indicating that regional connectivity is perhaps not such a significant issue, although concerns about regional connectivity are raised with DfT from time to time".

I suppose that means that debates such as this will be forgotten after they finish, but I want the Minister to know that I will not forget this issue after this debate ends at 11 o'clock.

The same paragraph states that

"we do not believe additional policy interventions, either through the regulatory framework or otherwise, are necessary."

How many more regional airports must lose their access to the UK's global gateway before we realise that additional policy intervention is required? The document then discusses

"comments received from the CAA who expressed the view that the maintenance of routes between regional airports and any particular airport should not be an obligation of the regulator. The CAA further noted the Government's capacity to impose PSOs on specific routes where necessary."

There should be an obligation on the CAA to regulate to save regional access to Heathrow.

Mr. Carmichael: The hon. Gentleman is being very generous in giving way. I seek to elicit further views from him on PSOs. Does he agree that the problem, or the reason why there are not applications for PSOs, is to do with the Government's attitude to granting them? They say that a PSO will be granted only if there is a risk to the commercial use of a slot, and that as long as a service is operating in a slot, they will not see a commercial risk. So, they will grant a PSO only after the operator has withdrawn, by which time nobody is seeking a PSO.

Phil Wilson: There is a lot of truth in what the hon. Gentleman says, but I shall come to the faults of the PSO system and how they can be remedied.

PSOs are part of the answer, but not the complete answer. I understand that Durham Tees Valley airport is looking at the economics of having a PSO, but there are three parts to the equation. First, the PSO process is bureaucratic; secondly, if successful, it secures only the slots; thirdly, the landing charge system at Heathrow discriminates against regional flights. Those three issues militate strongly against PSOs. If a subsidy is needed to pay for the landing charges, the cost is borne not by the Department for Transport, but by local authorities or regional agencies such as regional development agencies whose primary purpose is not to subsidise landing charges at Heathrow. That is why no region has successfully pursued a PSO at Heathrow.

There are one or two PSOs in the highlands and islands of Scotland, and in Wales, I think, but there are more than 250 in Europe. To ensure access to Heathrow from peripheral regions and to help their economic development, the Government should regulate to retain regional flights to Heathrow. In addition to the six airports, a minimum of three return flights a day should be allowed from Durham Tees Valley, Leeds Bradford, Plymouth, Newquay, Cardiff and Exeter. That would require 15 slots a day, and would retain regional connectivity to the peripheral regions. That is less than 1 per cent. of Heathrow's capacity, which has about 480,000 slots.

The Government also need to discuss with BAA and the airlines a commercial tariff that will enable those flights to take place based on the take-off weight of the aircraft. They should also amend the regulatory framework in the interests of the whole UK to improve regional accessibility into Heathrow. The regions expect the Government to ensure that Heathrow can be used by the whole of the UK.

I shall put to the Minister four other recommendations, which are also supported by the Northern Way and the Tees Valley joint strategy unit. First, the regulator's duties should be expanded to give the Civil Aviation Authority a general duty to promote access to air services throughout the UK from London Heathrow in support of the Government's commitment to regional growth.

Secondly, using the duty, and recognising that the economic benefits of domestic services contribute to meeting the Government's wider policy agenda, which is not currently reflected in the airline's financial benefits at price-regulated airports, regulation should be used to promote a differential in airport charges for domestic services, compared with international services, under overall average yield per cap.

Thirdly, the Secretary of State should use his ability to give direction to the regulator. That is an important tool for shaping the regulatory regime to support, as far as possible, the Government's wider policy goals, including those related to regional economic development. To avoid the risk of excessive interference from the

Government, I suggest that any draft directions should be published and should be subject to consultation through open process.

Fourthly, I encourage the Government to consider the case for PSO air services on the same basis as other EU member states, taking into account both the social and financial benefits of air services. The potential for air services from Heathrow to regional airports should be further investigated for slot protection through being designated as public service operations. Will the Minister get his civil servants to look again at the draft regulatory framework, and ask them, under his political guidance, to encourage some thinking outside the box? This issue is about more than aviation, airports and airlines; it is about the future economic growth of our regions, selling our goods worldwide and remaining a global player.

It will be the best part of nine or 10 years before the first aeroplane taxis down the third runway. That is a long time, but the issue of providing a decent service from Heathrow to the regions needs to be sorted out now; UK plc deserves that. All I ask for is some joined-up thinking.

Several hon. Members *rose—*

Mr. Gary Streeter (in the Chair): Order. Front-Bench speeches will start at 10.30 am. Five colleagues seek to catch my eye, and we have only half an hour left, so if they keep their speeches brief, that will be appreciated. Four people have given notification that they wish to speak, so they will have priority.

9.59 am

Alison Seabeck (Plymouth, Devonport) (Lab): It is a pleasure to serve under your chairmanship for the first time, Mr. Streeter. I also welcome my right hon. Friend the Minister to his new post.

I congratulate my hon. Friend the Member for Sedgefield (Phil Wilson) on securing the debate on an issue of broad interest. As he made clear in his opening remarks, the issue has influence locally, regionally, nationally and internationally. The South West Regional Committee, of which I am Chairman, will carry out an inquiry into transport across the region, which will undoubtedly encompass the role of regional airports.

I have a regional airport in my constituency, and I am therefore aware of the concerns expressed by local residents about the use of the airport and the environmental consequences of air travel. I am also aware of the wide support that the airport received, both from constituents and local businesses. I shall endeavour to express a wide range of views from Plymouth without in any way pre-empting the future investigation of the regional Select Committee, which will hopefully happen in about a month's time.

I shall begin by talking about the issues that directly affect Plymouth before looking at the wider south-west. From Plymouth's perspective, air services are generally viewed as fundamentally important to the social and economic strength of our city. That view was clearly expressed by my hon. Friend the Member for Sedgefield in relation to his area. The airport is a key element of the city's growth agenda, and its continued existence and future growth has been factored into assumptions made about our local economy. It provides—as do all regional airports—vital connections into London.

Air Southwest is the sole airline operating from Plymouth, and it has slots at Gatwick and, most recently, at London City airport, as well as a range of connections to other major cities. However, it no longer has access to Heathrow. There are concerns across the sector that the trend of regional operators losing access to Heathrow could have a detrimental impact on regional economies, some of which are very fragile at the moment. Such concerns are not new. Indeed, as long ago as 1998, the then Environment, Transport and Regional Affairs Committee concluded that because runway capacity in the south-east was in short supply, pressure would be put on regional airports.

I do not want to revisit the arguments for and against the third runway at Heathrow, but the evidence suggests that, without additional capacity in London, economic growth in the regions could be damaged. Offering Amsterdam Schiphol or Charles de Gaulle as an alternative does not work, because of the enhanced range of destinations offered by Heathrow and across London. Serious consideration needs to be given—again, my hon. Friend made this point—to the need to protect regional links into Heathrow as part of any future plans for a third runway and in relation to general capacity issues. As suggested, there could also be a role for the regulator.

To preclude—indeed, to discourage—regional airlines from having access to Heathrow by making the slots extortionately expensive will not help the UK economy, and it certainly will not help the south-west. Despite the environmental concerns, air travel in the south-west is predicted to continue to grow. In a region where the strategic road and rail networks have historically been underfunded and have inadequacies, air travel, whether it involves Bristol, Exeter, Plymouth or Newquay, is essential.

David Taylor: Is it not the case that, economically and environmentally, a far better alternative to having more slots at Heathrow for regional airports is high-speed, affordable and convenient trains, particularly for cities and regions that are within, for example, 500 km of Heathrow? That would encompass the vast bulk of the population of England. Is that not the way forward, rather than having more slots at Heathrow?

Alison Seabeck: I hear what my hon. Friend is saying, but he clearly does not know the south-west very well. Frankly, the idea of our getting a high-speed rail link all the way down to Cornwall is simply not a runner in the medium term. We may get it as far as Exeter or Bristol, but that does not work for Plymouth or Cornwall. We desperately need those regional air links. Cornwall is, of course, an objective 1 area and is one of the poorest regions in the country. Without regional air links, I am afraid that businesses will not come to the far south-west. I understand the environmental arguments, but this is a very difficult issue for our region.

As I have said, road and rail are alternatives, but those in the business community who want to conduct business in London do not have five hours to spare to travel there either by car or train. It takes me five hours door-to-door to get to London. A high-speed rail link would be fabulous, but in the short and medium term that is not going to happen. I want businesses to feel

[Alison Seabeck]

that they can commute to Plymouth or London for business in a day, without having to rush or be utterly exhausted.

Proposals for a runway extension at Plymouth would allow slightly larger planes to use the airport. That has some very strong support across the city and already much of the land required has been safeguarded. However, I suspect that that proposal is, again, unlikely to go ahead, because the costs run into tens of millions and the pressure on the major funders is likely to make it impossible. Genuine concerns would be raised both by organisations representing residents who live close to the airport—such as the Derriford and Birdcage residents association—and, of course, environmental groups. However, for the reasons that we have heard, regional flying could be less harmful to the environment than mainstream aviation. I am advised that the Dash 8 aircraft currently flying in and out of Plymouth has fuel consumption equivalent to 70 miles per gallon per passenger. Many of those who use that aircraft would otherwise use a car.

Why do we need a vibrant regional airport? Plymouth is one of the drivers of the sub-regional economy and, as I have said, it borders on an objective 1 area. We have unemployment well above the regional level—the most recent figures put it at 5.8 per cent. That is set against the city's growth agenda, which still has a target of increasing our population by 30,000 in the next 10 to 20 years, as well as increasing employment. To support that growth, there is a determination to encourage inward investment. We have established a city development company which is supported by the regional development agency, and the city council has good links to other local business organisations.

The regional development agency's strategy in the area is for there to be a developing role for most of the region's airports, namely Newquay, Plymouth, Bournemouth, Exeter, Staverton airport in Gloucestershire—a much smaller airport—and Bristol. The priority is to address the issue of peripherality, which is why regional airports are so important. The regional development agency also understands the importance of protecting routes into Heathrow and Gatwick by the use of public service orders. Plymouth city council has actively been pursuing the option of trying to get a public service order for Plymouth linking into Heathrow, but, so far, it has failed. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) and I have written to Ministers, and I know that the hon. Member for South-West Devon (Mr. Streeter), who is in the Chair today, has also tried to raise the issue through parliamentary questions and other means. We would very much like to have our route protected in that way.

Mr. Carmichael: Was one of the Ministers to whom the hon. Lady wrote David Jamieson? Was she ever disappointed by the response she got from him as a Minister?

Alison Seabeck: The hon. Gentleman should do his homework. Mr. Jamieson was my predecessor, so it would have been a bit difficult for me to write to him.

I know that a number of hon. Members want to speak, so I shall conclude. If the Government are serious about supporting regional economies, they have to support the infrastructure and links into our regional airports and the regional airports themselves. I look forward to hearing wider evidence on the role of our region's airports during the Select Committee inquiry and I, obviously, also look forward to hearing the Minister's response today.

10.7 am

Lembit Öpik (Montgomeryshire) (LD): May I start by declaring an interest? I have been involved on a financial basis with air taxi work. I also declare a deeper interest in relation to the need to have a realistic attitude towards aviation as a whole. There are powerful economic, cultural and political reasons for connecting the world with itself. The most sensible way of doing that is through aviation. Last week, Oxford Economics launched a report called "Aviation: the Real World Wide Web", which contains some powerful arguments that are often ignored in debates about aviation. Those arguments show that aviation has reduced many problems that we would face if we thought of ourselves in terms of being an individual country, rather than a global village. However, perhaps that is a debate for another time.

We must be realistic about aviation. There is no question—in fact, it is obvious—but that we cannot control demand for aviation simply by limiting the opportunity to fly internationally from the UK. All the evidence shows that flying is aspirational and motivating for almost the entire British population. Fifty years ago, only a small proportion of the population could afford to fly, and that privilege has been opened up to a much wider proportion of people. Indeed, as an island country, if we want to travel, we have to cross water. The Eurostar obviously connects us to France and further afield, but it is not practical to make every journey by train—even if we had high-speed links, which I very much support. Unless we adopt some sort of Talibanesque limitation on people's right to travel, we have to accept the fundamental reality that aviation will continue to expand.

Mr. Brazier: On high-speed links, if Heathrow were connected directly to the channel tunnel, through which Air France will be running trains from 2012, does that not offer the opportunity to shift many of those using short-haul flights from Heathrow on to the high-speed link?

Lembit Öpik: I agree with the hon. Gentleman and, hopefully, with my hon. Friend the Member for Lewes (Norman Baker), who will summarise the official Liberal Democrat position on these matters. Only a fool would pretend that high-speed rail links are inferior to aviation in terms of economic and practical benefits. The hon. Gentleman is absolutely right. In an ideal world—when the Liberal Democrats take power in 2010—we will support the creation of a high-speed rail link which will, in large part, obviate the need for regional aviation in the UK. It is not a sensible way to transport people on what is a relatively small island.

David Taylor: I made one of the earliest predictions that the likely outcome of the 2010 election would be a hung Parliament, possibly with the hon. Gentleman as a compromise leader of the Administration. However, in a serious vein, I have heard him speak movingly and effectively about the polluter paying and level runways

for aviation. Is not taxation needed to ensure that aviation compensates wider society for the environmental downsides that it causes? No one is talking about banning people from flying, but the actual costs should be reflected in the ticket price.

Lembit Öpik: I agree. People who have looked at websites when booking flights know the relatively small additional cost of paying for the environmental damage of flying. The environmental offset for a flight is not very expensive. Of course, there are issues with offset, but, once again, that is for another time. Let me adamantly confirm that when I appoint the hon. Gentleman Minister for Transport—

David Taylor: And gliding.

Lembit Öpik: Paragliding, actually. I will expect the hon. Gentleman to ensure that the damage caused by every passenger air mile is paid for.

Let me move to regional airport policy. The A380 and the Boeing 747 have been superbly successful aircraft. Indeed, the A380 is the 21st-century jumbo jet for hub-to-hub operations. I recently had the privilege of flying on the A380 with Singapore Airlines, which has an unsurpassed quality of service in economy class and, I imagine, in business class and what it calls suite class on long-haul flights.

However, the real opportunity for regional airport policy is point to point. Aircraft in the design phase at present—the A350 and the Boeing Dreamliner—will provide an opportunity for regions to be connected to other regions around the world. There are obvious economic benefits to that, but there are also environmental benefits. If a journey does not involve a change—in other words, if it can be made in one flight instead of two, especially on efficient aircraft such as the A350 or the Dreamliner—it will have a smaller environmental footprint.

It seems clear that if we are to have a serious regional policy and relieve the congestion around London, point-to-point flights are the natural way to go. Once again, let me emphasise the importance of environmental considerations. I am not suggesting point to point between destinations that can be connected by high-speed rail, but it is the obvious answer for intercontinental journeys. As the Oxford Economics report implies, we can get economic, cultural and political benefits without having to make short flights but by ensuring that point to point on an international basis is possible.

I steer clear of the third runway debate, because there is only so much wrath I want to incur for my party's Front-Bench spokesmen, but I observe that there are three certainties when it comes to British aviation policy: first, the demand for aviation will continue to rise; secondly, we should commit ourselves to high-speed rail links to obviate the need for short regional flights; and, thirdly, point to point offers an enormous opportunity to connect regions and gain economic benefits. No Government should take away people's right to fly, but every Government should commit themselves to the right to save the environment at the same time.

It is not realistic for us to control demand for aviation—that is beyond the political capacity of any party—but we must be realistic about reasonable flight distances, and we should also be realistic about speaking with one voice in the collective interests of Britain. Within that, there is an interest in having a proper and positive strategy on international aviation.

10.15 am

Frank Cook (Stockton, North) (Lab): It is a pleasure to speak under your chairmanship, Mr. Streeter, for the first time in 26 years. I congratulate my hon. Friend the Member for Sedgefield (Phil Wilson) on two counts: first, securing the debate, and, secondly, the magnificent way he presented a well-researched demonstration of folly on the part of the Government.

I have no airport in my patch. In 1983, my hon. Friend's predecessor, Tony Blair, said to me, "Will you take care of my airport? I know nothing about them." So, from then until 5 May 2005, I looked after that airport. After that, of course, my hon. Friend took over the responsibility, and I am pleased to say that he has done an excellent job.

Teesside airport—or Durham Tees Valley, as it is now called—is the airport in which I have taken a particular interest. It was the airport where I did my flying lessons, and I have nursed it like a baby for 20-odd years. It is particularly with regard to Teesside that I want to speak, but the statements that I shall make are relevant to every regional airport in the country.

Rather than regurgitating stuff that has already been discussed, I want to talk about increased charges for air passenger duty. The irony is that Holland has disregarded it—it has done a U-turn—and Greece has done away with it altogether. That has created a climate in which economy airlines such as Ryanair are basing their aircraft elsewhere in Europe. In fact, Ryanair has moved to Italy; we do not have it in this country any more. That is a common move.

Europe is taking over our markets, and the Government have to realise that. It is as plain as the nose on your face that we will pay heavily for their deafness. The issue was first raised with them in the middle of last year, but no action was taken. The first realistic meeting that we managed to secure, in March this year, was as a result of the persistence of my hon. Friend the Member for Sedgefield. Several of us were there, including my right hon. Friend the Member for Darlington (Mr. Milburn) and those my hon. Friend identified earlier. We were promised that we might have some better news this month, so, like him, I anxiously await word from the Minister about what he is doing.

For those who are interested in the third runway, I voted for the damned thing. I would be happy to see it built and am sure that it would be of benefit, but can we wait that long? When we consider what we welcomed as the northern gateway—it was supposed to help to bridge the gap between north and south—we must ask whether we can wait a further 10 years. The third runway is planned for 2019—that is, if it is built by 2019. I used to train planning engineers, and I know how they can get it wrong.

Mr. Jamie Reed: Some say no taxation without representation, and it is clearly far less exciting to say no taxation without regional airport connectivity, but does my hon. Friend agree that it is entirely unfair for his constituents and mine, and those of everyone else in

[Mr. Jamie Reed]

this room, to pay for the third runway at Heathrow without being able to fly to it from their own regional airport?

Frank Cook: Hear, hear. So be it. It is self-evident, is it not? I do not need to comment on that, because it is sound logic.

The suggestion being put about in some quarters—certainly from interests such as BAA and even by the former Transport Secretary, my right hon. Friend the Member for Ashfield (Mr. Hoon)—that the cure to all our ills is the third runway at Heathrow is fanciful.

The reality is that the death of regional services to Heathrow—only a handful are left, as my hon. Friend the Member for Sedgefield said—is a here-and-now issue. If we are to improve the economic welfare of the north of England and the other regions in the country, we cannot wait. The fundamental reason why regional services have vanished from Heathrow is that the cost structure operated by BAA, which is endorsed by the Civil Aviation Authority and the Competition Commission, means that they are uneconomic.

The Government have indicated that they might be persuaded to consider ring-fencing slots for some regional services through the public service obligations orders, but which airline will be prepared to use those as long as the unfair and punitive charging system remains in place? We have to change the charging system.

The real solution is for the Government to say to the CAA, the Competition Commission, and even BAA, that a key element in deciding the costing structure at Heathrow has to be securing the viability of regional services, given their critical importance to the nation's economy, and especially given the ambitions to bridge the north-south economic divide. Ministers have claimed that they have no powers to intervene over the Heathrow charging regime, but I do not accept that. I have been in the House for 26 years and I know what Governments can and cannot do. There is not a lot that they cannot do—I have seen it and been part of it—so it is nonsense to say that they cannot intervene.

It is no use waiting until some new golden age in which the third runway will solve our ills, because it will not happen. Unless the Government act now, by the time a third runway does happen—if it happens—Schiphol airport in Amsterdam will be even more firmly entrenched as a gateway to the world for much of the UK public. Incidentally, Schiphol is not the only threat. In Germany, Frankfurt airport has planning approval to begin building a fourth runway, and a third passenger terminal, along with accompanying infrastructure, will open in 2011. The longer we sit here doing nothing, the more we endanger our future.

I have nursed Durham Tees Valley airport for well over 20 years—for 25 years, anyway—and I could go on talking for the rest of the day, but I understand that at least another two hon. Members want to get into the debate. I hope that they can manage it in the eight minutes remaining.

10.23 am

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I will try to keep my remarks as brief as possible, Mr. Streeter. I congratulate my hon. Friend the Member for Sedgefield (Phil Wilson) on securing the debate. He concentrated on the economic development benefits, as he sees them, of regional airport development. That is important, but I want to bring into the debate some other, wider dimensions and, of course, as right hon. and hon. Members will have gathered from my earlier comments, I want to say something about the environmental dimension, which is also important when considering policy on regional airports and airports more generally.

The fact is—we all know this—that the growth of air travel is a potential major contribution to the growth of UK greenhouse gas emissions. We have stop that growth, or reduce it, if we are to meet the UK's wider climate change objectives. That does not mean that we will stop people flying or that we should seek to do so. All of us, including me, fly from time to time. The question is, what is the right balance between environmental considerations and the other economic and societal considerations that have been mentioned today? On regional airport policy and airport policy generally, it is about getting the balance right when we take forward the policies for the future.

Some points have to be made and fed into the debate on regional airport policy. Where possible, domestic journeys in particular should be taken by less environmentally damaging forms of travel. Policy should be designed to encourage that, which means high-speed rail. I hear the comments made by my hon. Friend, who represents the north-east, about high-speed rail. I would like high-speed rail to happen much more quickly in many other parts of the UK than is envisaged in the Government plans. However, I welcome—

Hilary Armstrong (North-West Durham) (Lab): Does my hon. Friend accept that there is little prospect of high-speed rail in areas such as the north-east, or even Scotland, in the medium term?

Does my hon. Friend also accept that one of the main economic factors, which links to the environment, is the fact that we are a global nation and we need to develop relationships with companies from the other side of the world? We in the north-east have good relationships with such companies, as my hon. Friend the Member for Sedgefield (Phil Wilson) said. However, without regional links those companies will say, "We can't make that link. There's no point in our going to the north-east, because we can't get there easily enough."

The environmental arguments in respect of Schiphol are worse, because the Dutch are not being as strong on the environment with airlines as our Government are.

Mark Lazarowicz: I would like high-speed rail to happen much more quickly than some people envisage, but I also take the point about the need to improve connectivity now. A factor in respect of high-speed rail is creating links to major airports and other airports in the UK, including Heathrow and Manchester. But things could be done to improve connectivity through the existing rail network. I make some of my journeys to Edinburgh by air because the last train from London to Edinburgh is at 6 pm, which is not convenient for many business passengers, let alone leisure passengers. Things could be done in that regard, too.

Three airlines fly from Edinburgh to Manchester—there are 10 flights a day. One reason for that is that that route is about half the distance of Edinburgh to London. The

train can sometimes take about four hours to get there. Things could be done to improve existing regional connectivity, including to airports, which might meet some of the concerns mentioned by my hon. Friend the Member for Sedgefield.

I accept some of the points made about connectivity, but my point is that we need to get away from journeys within the UK that could be made by other forms of transport, thereby freeing up space for that type of air travel, perhaps leading to connectivity for the north-east, which is not provided for at present. I have some reservations about the arguments advanced on reserving slots in the way my hon. Friend suggested, but I am happy to consider that. However, we cannot lose sight of the wider environmental considerations.

With regard to economic trends, and some of the trends in air travel, there is a case for reviewing airport policy and taking on board the points on connectivity made by my right hon. Friend the Member for North-West Durham (Hilary Armstrong), but the case for reviewing the decision on a third runway is stronger than ever. I hope that the Government, in considering how airport policy is advanced, take account of the wider environmental considerations, along with the important economic considerations raised by my hon. Friend the Member for Sedgefield.

10.28 am

Mr. Jamie Reed (Copeland) (Lab): I thank Catherine Coulthard for the support that she has given me in preparing for the debate.

It has been well stated that the north of England needs some strategic intervention in respect of its airports for it to be able to be competitive not just within the UK, but internationally. There are two principal reasons for that. First, strategic Government interventions now in northern airports will reduce the need for other, probably more difficult and expensive, state interventions in other parts of the northern economy in future. To reduce and ultimately stop the dependency of parts of the north of England on long-term Government intervention and support, it is imperative that the Government invest wisely to ensure that the north can compete in its own right, regionally within the UK and internationally. There is real intrinsic value in spending now; it means spending much less later.

Secondly, the south-east cannot keep growing indefinitely in population, the impact of its growth on the environment and much else. This is not good for the country or for our economy, and not good for the people of the south-east. It is, ultimately, bad news for our democracy as well. This Government have a proud record of redistributing wealth on a social and individual basis. That redistribution must accelerate regionally. The economy of the north of England does not require a long-term hand-out; it requires a short, sharp hand-up.

At a time when we are witnessing the end of unregulated energy markets and we can see for ourselves the effect of light regulation on the banking system, it is clear that the policy conclusions in both those sectors need to be taken over into the aviation sector. We need strategic interventions in the regional airports in this country, right now.

I would like to meet the Minister with a delegation to discuss the importance of Carlisle airport to the Cumbrian economy, and I hope that can happen very soon. I support those who are calling for ring-fenced landing slots at Heathrow.

10.30 am

Norman Baker (Lewes) (LD): I congratulate the hon. Member for Sedgefield (Phil Wilson) on securing the debate. I do not agree with everything he said, as I will explain, but I listened to him with more sympathy that I would have done to his predecessor—*[Interruption.]* I wish that the former Chief Whip, the right hon. Member for North-West Durham (Hilary Armstrong), would stand up and make a speech instead of continually intervening from a sedentary position. She does that all the time, and she is still doing it.

The hon. Member for Sedgefield set out two objectives. First, he recognises the need to secure help for regional economies, and I support that objective. Secondly, he expressed sympathy for direct flights, or point-to-point flights, as my hon. Friend the Member for Montgomeryshire (Lembit Öpik) described them. I also support that objective. Clearly, if one must travel from A to B and can do so without changing flights on the way, carbon emissions are reduced.

I support those two objectives, but I do not agree with the prescription set out by the hon. Member for Sedgefield. I have listened to hon. Members here and on the Floor of the House who seem to live in a parallel world where climate change does not exist. It does exist—

Hilary Armstrong: Will the hon. Gentleman give way?

Norman Baker: In a moment.

Climate change exists and it must be dealt with in the round, as my hon. Friend the Member for Montgomeryshire did, taking account of the wish to travel and the environmental footprint.

Hilary Armstrong: I am delighted that the hon. Gentleman is prepared to give way to me. I certainly do not want to do anything other than improve climate change, carbon footprinting and so on in this country and worldwide. Does he accept that BMI's policy, for example, of cancelling flights from Teesside means that the environmental damage is greater because people use other airports? What faith does he have in manufacturing potential? Despite what has been said, a firm in my constituency is close to an American company that is delivering significant changes to aeroplanes that will reduce their effect on the environment. We should support and invest in such companies to produce better environmental opportunities for air travel.

Norman Baker: I agree that we should support such companies, but I have talked to the aviation industry and others in the transport sector, and my assessment is that we are some way from dealing with carbon emissions from aviation, although solutions for road transport are rather nearer. We are probably 30, 40 or 50 years away from a sensible solution that will make a real difference to alternative fuel technology for aviation.

[Norman Baker]

The hon. Member for Sedgefield has a correct beef to pursue in BAA's and British Airways' attitude. Perhaps BA should be called "London Airways" because of its policy of marginalising regional airports. I know that colleagues in Manchester feel strongly about the reduction in the number of direct flights from Manchester to New York because they must now go via Heathrow with consequent extra carbon emissions. We can agree on such points.

I am conscious that there has been a big drop in the number of people using Durham Tees Valley airport. CAA figures show that 19,601 passengers used it in February 2009, which is a 52 per cent. fall from the previous year, and such falls must be examined. There is no indication that a third runway at Heathrow would solve the problem. The approach of the hon. Member for Sedgefield should be regulatory, because with a third runway BAA and BA will simply provide more flights to New York, Bangalore and Singapore.

Phil Wilson: My point was that ring-fencing some of the slots at Heathrow would help to mitigate the problem of regional airports that do not have access to Heathrow.

Norman Baker: I understand that.

I want to return to the problem of carbon emissions and the point that the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) made. If projected carbon emissions from aviation, even according to Government figures, stabilised where they are now and remained the same in 2050, a cut not of 80 per cent. but of 89 per cent. would be required from this country to compensate for what would effectively be a free ride for aviation. The current projection is that aviation emissions will increase by 38 per cent. by 2040.

The problem is largely out of control, so it is reasonable to consider the alternatives, including high-speed rail. I do not agree with the reference made by the hon. Member for Sedgefield to the north-east being peripheral, nor do I believe that Exeter is peripheral.

Alison Seabeck: Will the hon. Gentleman give way?

Norman Baker: I will not, because I have done so twice.

For me, Scottish islands such as Shetland are peripheral. Exeter is not. I challenge the hon. Member for Plymouth, Devonport (Alison Seabeck) to travel door to door from this place to the middle of Exeter by rail or air—

Alison Seabeck: Will the hon. Gentleman give way?

Norman Baker: In a moment. If the hon. Lady travelled door to door by rail or air, allowing for transport to Heathrow and the queues there, would she get to Exeter quickest by train or plane? I challenge her to make that journey.

Alison Seabeck: Perhaps the hon. Gentleman would like to do the journey to Plymouth. As I have explained, it takes five hours by rail or car from my base in London to my home in Plymouth. If I use the airline, which uses City airport, it takes two and a half hours.

Norman Baker: I referred to Exeter, not Plymouth, but the hon. Lady was welcome to intervene.

Studies have been done and for destinations such as Paris, Brussels, Manchester and elsewhere it is quicker to travel from door to door by rail.

Phil Wilson: Will the hon. Gentleman give way?

Norman Baker: I will not, because I have only four minutes left.

It takes two hours 40 minutes to travel to Darlington—even now, with an unimproved rail line from King's Cross. That compares favourably with the overall journey time by air, taking account of delays at the airport.

In response to the point about high-speed rail, I understand that, thanks to Lord Adonis and the Government, High Speed 2 is being considered not only for London to the west midlands, but for scoping corridors way beyond that, including to the north-east. I look forward to the report on High Speed 2. My vision for high-speed rail is that it should benefit the north-east, Scotland and Wales. It should not be one line. That is achievable and has been done elsewhere in Europe, so there is no reason why it should not be done in this country.

It is worth making the point that regional airports have sought to expand in recent years, and many of the connections have been for holiday purposes. There is nothing wrong with that, but we must not assume that extra slots will necessarily be taken up by journeys to London for business purposes. They will also be taken up for holiday purposes to holiday destinations.

On the alternatives to short-haul flights to Heathrow and comparing them with the alternative of high-speed rail, when businesses were polled in 2008, almost 10 times as many UK businesses supported the suggestion of a high-speed rail link from London to the north as supported the expansion of Heathrow with extra slots to the north-east.

Phil Wilson: The Airport Operators Association has said:

"Using CAA statistics, even if all of Heathrow's domestic passengers switched to rail, Heathrow would operate at around 90 per cent. of capacity and still be full before 2020 when a third runway could be operational. Rail is not an alternative to airport expansion, but it is part of a coherent intermodal transport policy."

Norman Baker: I do not accept that. There is an alternative to a large range of domestic destinations and new European destinations. There should be direct train journeys to Amsterdam and Berlin, for example. There is no reason why we should not be able to make such journeys by rail. Yesterday, I met Deutsche Bahn to talk about that. Plans are progressing well, and when EU open access occurs in 2010, we will see more of those journeys.

David Taylor: Twenty-four hours ago, Mr. Streeter, I sat in your Chair and heard a fine speech by the hon. Member have for Canterbury (Mr. Brazier) in which he comprehensively demolished the research underpinning what Oxford Economic Forecasting has said, which shaped the predicted usage of aviation, both freight and passenger. Is it not about time that we had a

thoroughly independent and effective analysis that is more balanced than the Oxford document, which is substantially discredited?

Norman Baker: Yes, it is. The aviation industry has made a practice in the past 10 years of skewing figures to try to influence Government policy in an improper direction. We need an independent look at the issue, and I hope that with a new Minister in charge and Lord Adonis as Secretary of State, we will get it.

I have not been able to make all the points that I wanted to—I have been keen to give way to hon. Members—but let me say to the hon. Member for Sedgefield that I very much sympathise with his wish to support his regional economy. That is right. I also sympathise over the lack of direct flights, the pulling of flights and the loss of slots to London. However, the prescription that he produced for more flying, while dismissing the environmental case and ignoring high-speed rail, is not the right solution.

10.40 am

Mr. Julian Brazier (Canterbury) (Con): It is a great pleasure to serve under your chairmanship, Mr. Streeter. I congratulate the hon. Member for Sedgefield (Phil Wilson) on securing this debate on regional aviation policy. He is a strong supporter of his local airport, Durham Tees Valley, which is also my sister's local airport; she lives near it. Like many regional airports, Durham Tees is struggling in the current economic conditions. Figures obtained by the Airport Operators Association suggest that airport employment will fall by one quarter this year and the average profits at UK airports by one fifth. My party profoundly believes in the importance of our regional airports and the contribution that they make to regions' economies.

Hilary Armstrong: Will the hon. Gentleman therefore rebut the statement that his leader made that the north-east requires only one airport?

Mr. Brazier: I have not seen the detail of that statement, but the position at the moment is that we have a number of busy airports in northern England. Having used Newcastle and Leeds myself and my sister being a regular user of Durham Tees Valley, I am conscious of the role that they all play.

Regional airports have grown in popularity in the past few years. The hon. Member for Sedgefield cited various figures. The most striking one is that the percentage of passenger traffic going to regional airports grew from 39 to 48 per cent. between 2001 and just before the recession. We support the expansion of regional airports where community support exists. We can see a case for proportionate and sensible expansion of regional airports, with decisions made on a case-by-case basis, taking account of local and national environmental factors as usual. Regional airports have the potential to reduce transit flights by increasing point-to-point movements—as the hon. Member for Montgomeryshire (Lembit Öpik) pointed out—as well as reducing road congestion in the south-east, where there is still an unhealthy concentration of flying.

The hon. Member for Sedgefield stressed the importance of links to Heathrow and I will return to that point, but I think that he was wrong to underplay the importance of direct flights as more and more regional airports get longer runways. My party believes that regional airport policy should allow maximum utilisation of existing infrastructure and thus take some of the pressure off the south-east. Some spare capacity already exists, but in other areas, including the south-east, there are problems. A number of airports are stuck in very long planning processes and there may be good reasons why some of those projects should not go ahead.

Turning to specific issues, I would be interested if the Minister commented on the need for temporary surge capacity in the south-east to deal with the Olympic games. Over a couple of weeks, there will be 900 extra movements. Clearly, smaller airports should pick that up. What thought has he given to that?

My local regional airport, of which I am extremely proud, is Kent International at Manston. Its current infrastructure includes one of the longest runways in the country. It is suitable for code E aircraft such as Boeing 747-400s and is also capable of hosting code F aircraft such as the A380. Sadly, it is massively underused. However, the forthcoming enhancement of the rail service between London and Ramsgate means that travel times will drop from two hours to barely 80 minutes, with the trains passing the bottom of the runway. The medium-term aim is to cater for 500,000 tonnes of freight and 6 million passengers a year, which will potentially provide 7,500 jobs. Even partial success would make the airport a substantial driver of economic growth in east Kent, which is one of the poorer areas of the country.

Southend is another example of a regional airport that can expand. Its runway is operating at a tiny percentage of capacity, but the planned extension and new railway line will take pressure off other south-eastern airports.

I listened with interest to the comments by the hon. Member for Plymouth, Devonport (Alison Seabeck) on Plymouth. My parents live in the west country, so I am rather sensitive to those points, but I put it to her that the Conservative plans for a rail hub at Heathrow that links Heathrow directly into the rail system would transform the ability of constituents such as hers to travel.

Alison Seabeck: I understand the point that the hon. Gentleman is making and it is an interesting proposal. None the less, the time taken on the rail link to go all the way down to Plymouth and Cornwall is still much longer than if we had the air link into Heathrow. Tourism is important. It is important that we get Americans coming to Heathrow who then come to Plymouth to visit it and the far south-west. Playing down tourism is a mistake.

Mr. Brazier: The point is that people would be able to get off an aeroplane and go directly to a rail terminal, which would avoid the huge transfer times.

Today, regional airports are struggling, as a number of hon. Members have said. Air passenger duty is growing substantially, and regional airports have been hit by the economic downturn. A point that the hon. Member for Sedgefield made strongly is that a serious distortion in APD is hitting our regional airports. It is hitting the viability of their routes to Heathrow, which is a key reason why we have lost some of those routes, and it bears down particularly heavily on point-to-point flights, as opposed to people getting a short connection

[Mr. Brazier]

to a continental airport and then doing an APD-free flight from there. There are other anomalies, but one is that charges are based on the distance from London to the capital city of the destination country, not the destination itself. Therefore, frequent flyers to the western United States or eastern Russia pay much less; they get a relatively free ride compared with other people flying comparable distances.

The structure for APD is in a mess. We propose moving to a flights tax to end the absurdity whereby full carbon-efficient aircraft subsidise empty carbon-inefficient aircraft. I do not have time to go into more detail, but my shadow Treasury colleagues are examining the issue closely.

The administered incentive pricing proposal is causing regional airports huge worry. Ofcom proposes to introduce such pricing for the use of aeronautical spectrum, which is a good idea, in principle as it would encourage people to use less. The problem, as the Cave review pointed out, is that some people, including airports, have no choice. The Government themselves have said:

"In many cases, international agreements limit the scope to improve spectrum efficiency".

Ofcom is ignoring the Cave review. Will the Minister give guidance to Ofcom and tell it to look at what the Cave review and the Government said about the issue? Ofcom's original consultation document was only placed on its website, not sent to stakeholders. Will the Minister tell us who responded and who provided evidence to Helios and Plum in their work on the impact assessment for Ofcom's AIP proposals? He may need to write to me on that. Ofcom proposes a two-stage approach to spectrum pricing. When is the second consultation, on pricing of radar and aeronautical radio navigation aids, expected? Have the Government done any detailed research on the cost implications for regional airports? To give one example, the losses at Inverness would be increased by one sixth—that would be picked up directly by the Scottish taxpayer.

Norman Baker: Can the hon. Gentleman guarantee, given the indication from the shadow Chancellor of the Exchequer, the hon. Member for Tatton (Mr. Osborne), that there will be a 10 per cent. cut in funding for public sector projects after the next election, that the Conservative proposals for high-speed rail will go ahead?

Mr. Brazier: The Conservative proposals for high-speed rail have been personally endorsed by the leader. They are a long-term project, although the first stage, which connects into the link to the channel tunnel, is the one that will deliver most of the alternatives to flying by bringing journeys by rail to Brussels, Paris, Amsterdam and many other destinations within three hours. The Conservative party is closely committed to that project. The hon. Gentleman and I have the same view on Heathrow and similar views on high-speed rail, but I do not share his downbeat view of the savings that can be generated by some of the exciting developments in aeronautical technology or the carbon savings that will come from biofuels.

To conclude, the Conservative party believes that regional airports are a huge asset. We must find ways to make life easier for them.

10.50 am

The Minister of State, Department for Transport (Mr. Sadiq Khan): It is a pleasure to see you in the Chair, Mr. Streeter. I know that you have a genuine interest in this area of policy.

One's nervousness is compounded by the fact that the Prime Minister's Parliamentary Private Secretary has walked into the Chamber. I hope that she is here for the next debate, rather than to take notes on this one.

I congratulate my hon. Friend the Member for Sedgefield (Phil Wilson) on his excellent and thought-provoking speech. He is a champion of the north-east, not just because he led a delegation with my right hon. Friend the Member for North-West Durham (Hilary Armstrong) and others to meet the previous Aviation Minister, or because of the issues he has raised at Prime Minister's questions, but because of the way he has challenged and cajoled previous and current Ministers and officials regarding some of the challenges that his region faces. That will benefit not just his region and his constituents, but the wider community.

We have had interventions and speeches from across the UK. We have heard from North-West Durham; Montgomeryshire; Paisley and Renfrewshire, North; Edinburgh, North and Leith; North-West Leicestershire; Castle Point—I always enjoy it when the hon. Member for Castle Point (Bob Spink) has a dig at the Mayor of London—Orkney and Shetland; Lewes; Canterbury; Copeland; and Stockton, North. I will try to deal with the points that have been raised, but if I do not, I will, of course, write to my right hon. and hon. Friends, as well as to the hon. Member for Canterbury (Mr. Brazier), who speaks for Her Majesty's official Opposition.

The hon. Gentleman was understandably nervous when asked to confirm his leader's view that there should be only one airport in north-east England, and he was nervous when asked another important question. I know that this is a hard assumption for my hon. Friends to make, but let us assume for a second that the Leader of the Opposition is being truthful when he says that, should the Conservative party form a Government—God forbid—the only ring-fenced areas of expenditure would be the NHS, development and schools. That raises the question of where the cuts will be made, so when I am being sanctimoniously lectured about high-speed rail, I know that the words I am hearing are not worth the breath taken to say them.

Alison Seabeck: Will my right hon. Friend acknowledge that having a super-hub at Heathrow does not help Plymouth, because we do not have a slot there?

Mr. Khan: My hon. Friend made an interesting speech. I have great respect for the hon. Member for Lewes (Norman Baker), but I do not envy my hon. Friend her five-hour journey with him to Plymouth. However, she raises a serious point, because this is not an either/or. We need to recognise that only one party—well, there is probably another one—is committed to investment in infrastructure, which is what we are talking about.

The hon. Member for Montgomeryshire (Lembit Öpik) made an important speech. I enjoyed his comments about the Talibanesque ban on people's right to travel—even more than I enjoyed his comments about the Liberal Democrats taking power in 2010. However, he made

important points about the different options that exist, about the fact that we live in a global village and about the many challenges that we face.

My hon. Friend the Member for Sedgefield also raised important points, and I will come to them. First, however, let me say that the Government fully recognise the importance of the UK's regional airports as contributors to the UK aviation sector and in creating greater choice for passengers.

My hon. Friend referred to the White Paper and he is familiar with it. For other colleagues, it is worth pointing out that we accept that the failure to allow for increased airport capacity could have serious economic consequences at regional and national level. Airports, including those in the regions and the devolved Administrations, are an important focus for the development of local and regional economies. We accept that they attract businesses, generate employment, open up markets and provide important impetus to regeneration.

Let me give some examples of the growth in regional airports. Manchester international airport has increased the handling capacity of its transport interchange with the opening of a new £15 million rail platform in December 2008. Last October, Glasgow international airport's Skyhub terminal extension opened, greatly improving facilities for passengers. Earlier this year, Birmingham international airport gained planning approval to extend its runway. Improvements have been under way at other regional airports, including Glasgow Prestwick, Aberdeen and Bournemouth.

However, we cannot escape the fact that private sector airlines and airports are seeking to stay profitable in the downturn, which is having a major effect on their business. UK airlines operate in a competitive international market, as several colleagues have said. We cannot escape the fact that some UK airlines have announced plans for job losses. They want to fly more profitable routes.

We also have to state the obvious. My hon. Friend the Member for Stockton, North (Frank Cook) thinks that the Government have huge power, but we simply do not have the power to tell airlines what routes to fly. Although we can and do try to influence their decisions, airlines and airports will make commercial judgments.

We are clear that the fall in passenger numbers in 2008, which several hon. Members have mentioned, reflects the current cyclical economic position, not a change in the fundamental drivers behind the longer-term growth in UK air passenger demand, which we continue to expect to remain strong as economic growth recovers.

Hon. Members, including my hon. Friend the Member for Sedgefield, have approached the Government about opportunities for state assistance to maintain air services between regional and hub airports. My hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) referred to her council approaching the Department. In our guidance, we have set out how we assess such applications, and we will look at any submissions.

We will carefully consider any application from regional bodies for a public service obligation to support a regional air service, although, as I said, it is not possible to guarantee in advance that one will be approved. Any proposal would have to meet EU eligibility criteria and be subject to a full economic assessment. My hon. Friend the Member for Sedgefield has called for a review of that policy. I cannot give him a commitment on that today, but I can confirm that we will explore what assistance can be given to regional airports.

In his excellent speech, my hon. Friend referred to the economic regulation of airports. As one of the regional stakeholders who expressed concerns in response to the Government's recent consultation on proposals to reform the economic regulation of airports, he will be pleased to know that we will publish our response later this year. We will look at all the options and respond to his points, as well as to those of his region, which has also responded and has been quite vociferous in its views.

My hon. Friend the Member for Stockton, North raised the important issue of air passenger duty, and he is not the first to do so. Other colleagues have cited the changes to APD that the Chancellor announced in November 2008 as a possible reason for withdrawing services at regional airports. From this November, APD will expand from two to four bands to send a stronger environmental signal that passengers flying further will pay higher rates to reflect the greater levels of emissions from their flights. I know that the hon. Member for Lewes has a keen interest in the issue. We estimate that that reform will save 0.6 million tonnes of CO_2 by 2011-12, compared with now.

Several colleagues have spoken, and I want to deal briefly with some of their points. I have no doubt that my hon. Friend the Member for Sedgefield will continue to lobby, harangue, harass and cajole me and my colleagues in the politest and most courteous of ways.

I am happy to meet my hon. Friend the Member for Copeland (Mr. Reed) to discuss his concerns about Carlisle airport. In his two minutes, he managed to make some important points. As I said, the hon. Member for Montgomeryshire made a very thoughtful speech. I have huge respect for the hon. Member for Lewes, but I am not sure that I agree with his analysis of road versus air, because both are an option. However, he is right about High Speed 2, because our vision is not simply of a route from London to the west midlands. The hon. Gentleman has read what my right hon. Friend the former Secretary of State for Transport has said, and he will know that we want the whole country to be served by high-speed rail. He was, however, a bit unfair when he suggested that my hon. Friend the Member for Sedgefield, or anybody else, had said that climate change did not exist.

My hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) made an important speech about the balance that needs to be struck. He will be aware of the summit taking place in Copenhagen later this year. For the avoidance of doubt, let me say that we have the toughest environmental conditions anywhere in the world in place for runway 3.

In the nine minutes that I have had, I have tried to deal with most of the points that have been made. I will write to those colleagues whose points I have not been able to deal with. Once again, I congratulate my hon. Friend the Member for Sedgefield on his excellent Adjournment debate. He has raised several serious issues, which the Department and the country need to take on board.

Pemberton Homicide Review

11 am

Anne Snelgrove (South Swindon) (Lab): I am grateful for the opportunity to raise again the lessons that arise from the terrible murders of Julia and William Pemberton. The deaths followed a history of domestic violence to which the police were alerted 15 months before the tragedy. I am proud to follow the lead of my predecessor, Julia Drown, by working with Frank Mullane, the brother of Julia Pemberton, and my constituent, to keep the House's attention on the matter.

Since the murders, Frank has joined the Government's victims advisory panel and has created a registered charity called Advocacy After Fatal Domestic Abuse, of which I am a patron, partly to help families to interact with criminal justice agencies and other bodies when they are trying to establish what happened, and to ensure that learning is identified and applied. The Pemberton homicide review reported in November 2008, five years after the tragedy. The report identified significant recommendations for many agencies, including the police, the local authority, schools, the primary care trust, general practitioners and central Government. The family, some of whom are my constituents, asked for the debate because they do not want us to forget the review, its recommendations or its findings. The family campaign on behalf of the hundreds of domestic violence victims who have urged them to make sure that the PHR is learned from.

It is important that we should congratulate the relevant agencies and individuals who have taken forward recommendations and that we should give encouragement where findings and recommendations need more attention. We need to ensure that the learning points from the PHR have been identified. I use the word "learning" to avoid any accusation that we want to blame agencies. Blame will not get us anywhere. We are all here to make sure that lessons are learned by all. We need to ensure that everything is done to get the outcomes applied both locally and nationally. There is also the general question of who ensures that the recommendations and learning from voluntary homicide reviews are taken forward. Who brings the wide-angle perspective? The debate is important because no one wants there to be another serious injury or murder after which issues from the Pemberton review are found not to have been dealt with.

First, to give credit where it is due, I, like the Mullane family, want to commend all the agencies for their work following the review, where they have taken forward the recommendations. However, much of the substance of the Pemberton review is in the body of the report and is not reflected in those recommendations. The family want to ask the agencies to go back to the review, and not just to look at the recommendations but to take a holistic view of the substance. It would be useful for those agencies to bring together evidence of where recommendations have been followed and develop plans to apply all the lessons. Victims and their families deserve a thorough response.

I shall set out some examples of the responses of the police, West Berkshire council and the primary care trust and give the family's view of how those responses could be improved. Thames Valley police initially responded just to the recommendations in the review, but following a request from the family they developed and shared with them a further action plan in response to the PHR, on which I congratulate them. However, it is the view of the family that that plan should be looked at again. Julia Pemberton's nephew, Desmond Khan, did a great deal of work to identify where the police action plan could be improved. Thames Valley police were then invited to respond. I understand that they are looking at the suggestions, and I ask that they give them due weight.

One suggestion concerns supervision. The PHR found that Thames Valley police officers were "poorly supervised or supported", and that the situation regarding Julia's reporting of threats to kill was

> "compounded by a lack of policy or supervision to direct and ensure minimum standards."

The report raised another point:

> "Chief Officers must evidence their knowledge of key policies and critical incident management relevant to Domestic Violence."

That is particularly significant as the report criticised leadership in the force, and the family believe that it demands a full response. They have met academics, police officers and domestic violence workers and strategists, and I am told that they all agree that a lack of intrusive supervision is a major issue when it comes to the effective policing of domestic violence. There are thus issues for Thames Valley police to reflect on and act on. Dr. Carolyn Hoyle, who is reader in criminology at Oxford university, commented that Thames Valley police

> "must ensure that the tragic deaths of Julia and William are embedded into its institutional memory in order that the current commitment to helping victims of domestic violence does not wane."

The family also invite West Berkshire council and primary care trust to take a more holistic view of the review. They have given the two agencies a list of learning points and offered some comments on the council's actions so far. They tell me that the council took on board some of their comments and said that others will be built into "individual agency action plans". Will the Minister clarify today what that will mean in practice, and assure the family that it will mean that the agencies give due weight to the list of learning points that they submitted?

The family drew my attention to the part of the review that says that primary care trusts have the opportunity, through their contractual arrangements with general practitioners, to include requirements with regard to domestic violence. In their view, the local authority response does not appear to be robust enough. A recommendation of the review is that GPs should be better trained, including, significantly, being told of the risk indicators associated with perpetrator behaviour in domestic abuse. The family highlight one of the council's actions in response to the recommendation:

> "Review training provided to GPs and others on Domestic Homicide as part of the safeguarding framework".

The family would like clarification on whether all GPs in the authority have been made aware of indicators associated with perpetrator behaviour, because until that happens they feel that to report that action as "complete"—as it has been reported—is incorrect. I am sure we would acknowledge that action plans should be unambiguous and that there should be expressed outcomes.

so that we can easily link the recommendation or learning point to an action and then to an outcome. That is what the family suggest.

The review found that

"the weaknesses and gaps in the council's overall policies and procedures in relation to Domestic Violence did not impact on the outcome".

However, one expert consulted by the family disputed that that could be concluded from the review. Similarly, the review found:

"The Primary Care Trust had no direct involvement with Julia Pemberton that could have influenced the course of events".

However, another expert remarked that, had the primary care trust developed services such as a staff domestic violence policy, those might have helped to influence events. The family feel that bringing those views to light may encourage the local authority and primary care trust to develop more services. There are learning points within the report that should be of interest to the Government as well. One of those is:

"Domestic violence training should be made available for Coroners".

That seems to me a practical suggestion, and I raised it with the Minister during the passage of the Coroners and Justice Bill.

I now want to consider the question of who ensures that the recommendations and findings in voluntary homicide reviews are taken forward and that individual agency plans are adequate and implemented effectively. Neil Websdale, who is a professor of criminology and the principal project adviser to the national domestic violence fatality review initiative, said:

"The Pemberton Homicide Review constitutes a landmark achievement in the field of domestic violence fatality or homicide review. It is meticulous in its approach, honest in its conclusions and forward thinking in its recommendations. As such, the review sets a gold standard in terms of its detailed appreciation of the complex issues in domestic violence cases and its pressing calls for agency accountability and interagency liaison."

It is important, when there are lessons to learn, that we encourage all those agencies to ensure that they are learned.

It is equally important to ensure accountability in the process. If the tragic murder of 17-year-old William had been followed up by a serious case review, I believe that it might have attracted the attention of Ofsted. As for the Pemberton review, the family, with the help of a substantial network, have brought a great deal of accountability to the process. I pay tribute to them for that; they have worked tirelessly and did not give up when many others would have.

I ask the Minister to assure the family that, in such homicide reviews, the Government will ensure robust accountability. One system that he might want to consider is that used by Ontario. The family have asked me to cite the work of Professor Peter Jaffe, who said that death reviewers there require agencies to come back after one year to explain what progress has been made since their review was published. The family believe that something similar applied in the UK could help agencies to identify and apply all learning points. As I said earlier, the family's purpose is not to apportion blame but to ensure that similar circumstances do not arise again.

The family was disappointed by the behaviour of some individuals in the agencies during the review period. Julia's brother-in-law, Mike Mason, has written a concise protocol, including on behaviours, saying how agencies should treat families in this position, and I am pleased that the Home Office's violent crime unit has asked to see it. I was extremely shocked at much of the family's evidence on that matter.

The review found that the response of Thames Valley police and the council to inquiries by the family after the murders caused the family difficulty—and that is an understatement. Thames Valley police has apologised for that, as well as for its response prior to the murders; and the council, too, has agreed to apologise. That apology is welcome, but the family should not have needed to seek an apology more than six months after the report.

The Pemberton homicide review came into being partly because of the persistence and determination of the family and friends of Julia and William Pemberton, some of whom are here today. The family also had, and continue to have, the assistance of a wonderful friend and empathetic solicitor, John Latham, and a significant network of academics, strategists, media contacts and Members of Parliament from across the House, including my hon. and learned Friend the Solicitor-General. Indeed, she has been giving advice and help to the family for many years, including before she became a Minister. I note the presence today of the hon. Members for Newbury (Mr. Benyon) and for Mid-Dorset and North Poole (Annette Brooke), who represent family members.

The resourcefulness and capacity of the network that the family have at their disposal is not available to all families, so we need to assure the public that when things go wrong our public services are able and willing to correct problems, to identify opportunities and to help victims. The family are aware of the Government's significant efforts to provide services for victims of domestic violence—for example, specialist domestic violence courts, multi-agency risk assessment conferences and independent domestic violence advocates. The Government are developing a homicide review model, and the family welcome the invitation from the Home Office to be a part of that review. The family and I also look forward to the implementation of the strategy on violence against women.

I ask the Minister to assure me that each agency will do more to ensure that all the learning points in the Pemberton homicide review are identified and that each agency will show, with evidence, that all learning points from the Pemberton review have been applied—or that they will provide clear actions, with owners, dates and outcomes, to demonstrate that outstanding learning will be applied. Will he assure me that accountability structures will be put in place to identify and apply all learning points from the review?

Finally, will the Minister assure me that everything that we can learn from the review is being applied and that its effectiveness is being shared nationally, so that fewer families will go through what this family went through?

11.15 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): I congratulate my hon. Friend the Member for South Swindon (Anne

[Mr. Alan Campbell]

Snelgrove) on securing this debate, which is on a most important topic. I know that she has raised the case of Julia and William Pemberton in the House before and that she has worked closely with Julia's brother, Frank Mullane, on the question of domestic homicide. I know that tackling domestic abuse in all its forms is one of her priorities. I also acknowledge and welcome the interest shown by the hon. Members for Newbury (Mr. Benyon) and for Mid-Dorset and North Poole (Annette Brooke).

I assure hon. Members that the Government regard tackling domestic abuse as a priority. Certainly, we will not forget the review. I give my hon. Friend a commitment that we will consider the specific points that she has raised today, even if I cannot address each and every one of them now. The debate is timely—if such a debate can ever be timely—coming, as it does, shortly after the closure of the consultation on violence against women and girls. That consultation will help to inform policy and strategy on tackling domestic violence not only at the Home Office but across Government.

I shall speak generally about reviews before turning to the specific points of the present case. In 2005, the Government published the first national domestic violence delivery plan, setting out our commitment to address domestic violence. The plan identified the key outcomes that the Government and stakeholders should be working towards—from prevention through to victim care, and the response of the criminal justice system.

Reducing the number of domestic violence-related homicides is a key national objective. According to the British crime survey, 106 people were killed by their partners or ex-partners in 2007-08. Like Julia and William, many of those victims will have had contact with the police or other agencies. By reviewing the stages that lead to such tragedies, agencies can learn how to react better to situations and to make judgments that can avoid deaths and save lives. It was with that in mind that domestic homicide reviews were legislated for under section 9 of the Domestic Violence, Crime and Victims Act 2004. As my hon. Friend knows, the 2004 Act has not yet been implemented. I shall explain why that it so, and say how the points that she has raised can still inform the process as we move towards implementation.

Domestic homicide reviews are not meant to be inquiries into how a victim died or into who was to blame. Those are and should remain matters to be determined by the criminal justice system. However, reviews should seek to establish whether any or all of the agencies involved responded correctly and in accordance with their own procedures and guidelines. If it was found that agencies could have responded more effectively, it would be for the review body to determine whether an alternative course of action could have prevented the victim's death. The result of the review should be to ensure that agencies can respond appropriately to victims of domestic violence by putting in place the appropriate support mechanisms to help avoid future tragedies.

A consultation on draft guidelines for homicide reviews was published in June 2006. Proposals from that consultation suggested that the review process could be based on the serious case review model. In 2006, a domestic homicide steering group was established to assist with the development of the review process. That group meets regularly, and its input has proved vital in clarifying the detail of the process that a review would take, as well as addressing risks and concerns that have arisen throughout the consultation and development process.

The report, "Learning Lessons, Taking Action", which was Ofsted's evaluation of serious case reviews in 2008, raised serious concerns about this process, not least about the lack of engagement with the victims' family during the conduct of the review. That was a feature of the legal proceedings prior to West Berkshire safer communities partnership starting the review into the deaths of Julia and William.

Concern was also expressed about the financial burden that domestic homicide reviews would place on local areas, and as a result discussions have taken place between the Home Office, the Local Government Association and the Department for Communities and Local Government to ensure that local authorities can meet their responsibilities. Proceeding with a new process, based on a system that is clearly not right, would be counter-productive. Any system has to command the confidence of all involved, especially victims' representatives.

My hon. Friend might be interested to know that my officials are in regular contact with Mr. Mullane on this matter. Although we are still at the beginning of the process, this is an opportunity to develop a system that is meaningful and accountable—a word to which she kept returning in her speech—and that makes a real difference to how local areas respond to contact with future victims of domestic violence. We very much welcome, and place great value on, Mr. Mullane's comments and contributions, and I assure her that we will take those points very seriously and, as far as possible, allow them to influence the process. The delay in implementation of the 2004 Act is regrettable, but the Government remain committed to implementation. However, it is crucial that we take the time to ensure that the process that we introduce is the right one.

I shall now turn to the tragic events in 2003. Following the intervention of my hon. Friend's predecessor, Julia Drown, on behalf of the family of Mrs. Pemberton, West Berkshire safer communities partnership undertook a stand-alone review into the circumstances surrounding the murders of Julia and William. The Home Office shadowed the review in the hope that it would provide an insight into how a review might run. Despite the original intention for it to end in March 2006, the review did not conclude until November 2008, and although it made a number of recommendations that could be applied to homicide reviews in general, it concluded:

"The Pemberton case is complex both in terms of the individual circumstances of the incidents and in the context of the development of national policy on homicide reviews. We consider that this review should be viewed as an exception to the model set out in the Draft Guidance rather than a template for future Domestic Homicide Reviews."

Since November 2003, Thames Valley police have made progress in how they deal with domestic abuse. The leadership for tackling domestic abuse in the force now sits with an assistant chief constable, who chairs a protecting vulnerable people steering group. To support the steering group, the force established a dedicated PVP strategy unit, whose domestic abuse and honour-based violence policies are regularly reviewed.

Each of Thames Valley's basic command units has embedded domestic abuse units whose trained staff are on call to deal with victims in a sensitive and prompt

manner. Each BCU has an established risk assessment process that will be superseded by the new DASH risk assessment by the end of 2009. Thames Valley police have been working with multi-agency risk assessment conferences in all BCUs and specialist domestic violence courts in four out of five police areas, with the fifth due to be operational shortly.

Thames Valley police accepted the findings of the Pemberton review and conducted a detailed study of the report that drew out not only the specific recommendations, but—crucially—the observations and comments of the review panel. They will have heard, as I have done, the points made quite rightly by my hon. Friend about the need to take a holistic approach not only to address specific recommendations, but to view these matters as a whole. Individual agencies need to be held accountable to ensure that they deliver tangible outcomes from the review into these tragic events.

The study noted improvements in service delivery since 2003, which it applied to recommendations in the Pemberton review. That formed the basis for an action plan approved by the chief constable and presented to the police authority and the relatives of Julia and William. The Government believe that a successful, coherent system of review can lead to the goal that we all share of saving people's lives. Like the case of Julia and William Pemberton, many local areas currently undertake ad hoc homicide reviews, which can help local forces and authorities to improve their responses and the support that they offer to chronic victims of domestic abuse.

We remain committed to putting in place a system and guidance that will make a real difference. I wish to make an offer to my hon. Friend and to others who have shown an interest, including family members: I am always willing to meet and discuss the specific points raised, so that, as well as having discussions with my officials in moving this forward, I can, wherever possible, help in that process. It is crucial that we learn lessons and get this right. People who have experienced such tragic events should not find themselves further frustrated, angered and upset by reviews that fail to address all the issues or—crucially—by the failure to learn lessons. We are all committed to tackling domestic violence as a whole. In the future, I hope that a Minister can stand here and say not only that we have made the necessary progress, but that we will not need future domestic homicide reviews.

11.26 am

Sitting suspended.

St. Helena

2.30 pm

Ann Winterton (Congleton) (Con): It is a great pleasure to have secured this debate on the future of St. Helena. I have been trying to do so since the beginning of the year and had almost given up hope, when out it popped from the bag, so I am absolutely delighted. I must declare at the outset that my interest in St. Helena was first stimulated by my constituency. Colonel Sir Thomas Reade was a native of Congleton and served as Deputy Adjutant General of the troops in St. Helena during the captivity of Napoleon Bonaparte. That is an important part of the history of the island and, in the future, would be a great added tourist attraction.

When I was first elected in 1983, someone who was to marry one of my very best friends, Philip Dale, served as secretary to the Government of St. Helena, and both Philip and Sue have always been very interested in the welfare of the island. I know that they and other people in Congleton will be delighted that we are having this debate. Moreover, I think that it must be more than a happy coincidence that we have a St. Helenian as the Badge Messenger on the door this afternoon. That is very welcome, and we are all delighted by it.

St. Helena has changed significantly for the worse in recent years. The close family unit on which the island prided itself is fast breaking down and the population now increasingly comprises the elderly and children. As a direct result, revenue and resources continue to decline and the inhabitants, who are loyal British citizens, are becoming increasingly distressed and disillusioned.

The average salary for local people is a mere £4,500 a year, but goods and food are more expensive than in the UK because of freight charges. For that reason and the fact that there are only limited opportunities in St. Helena for skilled workers and young people, many Saints are being forced to leave their families to seek work abroad. More than 150 children and young adults are now in informal foster care as a consequence, which cannot be right by anyone's reckoning.

The Health Department has the painful and sensitive job of selecting which seriously ill patients qualify for further care and treatment in Cape Town or in the United Kingdom. With an ageing population, there is greater need for elderly care, but there is less of it with resources increasingly stretched. Education, too, is becoming more problematic as classes shrink but demands for a broad curriculum continue.

Finding teachers and nurses is increasingly difficult, as more Saints leave the island to find better paid positions elsewhere. The same problem exists with other jobs. Many people are initially interested in positions but are then put off by the difficulty of getting to and from the island. As a result, St. Helena has had to increase the number of expatriate staff to fill key posts in recent years, which is extremely expensive. Externally recruited staff are paid commercial rates, which are vastly more than the local norm. That leads to an ever-increasing disparity of wages on the island between expatriates and the indigenous population.

There is also the considerable burden on the United Kingdom taxpayer, which will only increase as more expatriates are needed. Many Saints in the UK have developed skills that St. Helena badly needs and are

[Ann Winterton]

keen to return home to work and set up businesses on the island, but, again, the issue is access and we cannot get away from that.

The potential for stimulating St. Helena's economy to enable Saints overseas to find jobs on the island is currently extremely limited. Apart from a modest agricultural potential and fluctuating availability of fish in its coastal waters, the island has no known natural resources. The existing arrangements for access by sea effectively prevent the development of any method by which the island's economy can grow. The modest passenger-carrying capacity of RMS St. Helena and any of its replacements limits the number of tourists that can visit the island. The cost of shipping goods to and from Africa and the United Kingdom, together with the time scales involved, make the development of any industry involving the physical movement of goods uncompetitive.

High communication costs do the same for possible activities such as call centres. The development of financial services has been ruled out by the British Government on policy grounds. The only possible method of economic development is tourism. It was as a result of that consideration that an airport was first suggested as the only practicable means of getting tourists to and from the island in sufficient numbers.

In January 2002, 71 per cent. of islanders, both at home and abroad, voted in favour of an airport being built. In April 2005, following the overwhelming vote of support, the British Government announced plans to construct an airport on St. Helena to bolster the island's economy and reduce its isolation. Impregilo S.p.A. of Milan was selected as the preferred tender to design, build and operate the airport.

With the British Government's promise to build the airport, the island's population ceased to decline, and there has been substantial investment in developing the island's tourism industry. In addition to the recent acquisition of the Consulate hotel by an overseas investor, the St. Helena Leisure Corporation is planning a sustainable development to include a six-star hotel, spa and leisure resort to be created in partnership with Oberoi Hotels. Such a development would form a key part of the Government's tourism policies by providing the quality of accommodation required, and it would serve as a significant point of attraction to the island. Shelco also proposes to invest in a whole range of local businesses to provide visitors with restaurants, horse riding facilities, deep sea fishing and fresh food as part of a holistic solution to regenerate the whole of the island's economy.

St. Helena has some stunning scenery, but I am ashamed to say that I have never seen it. I have been selected twice for a Commonwealth Parliamentary Association delegation. The first time, I was on the reserve list, and the second time, I was unable to go because RMS St. Helena broke down and the timing was changed. However, I have seen the most fantastic photographs of the scenery. The coastline of the island comprises high vertical cliffs cut by steep-sided v-shaped valleys, and a good network of roads makes much of the island accessible. However, the best of St. Helena is seen on foot, and there are some magnificent walks and hikes to be had on the island. St. Helena has other famous attractions such as Jacob's Ladder, Plantation house, High Knoll fort and Diana's Peak national park. The island also has a large and rare seabird population and is a centre for yachting and fishing.

A sustainable high-value, low-volume tourism industry would inject cash into the community, while minimising negative impacts. St. Helena needs that to survive. On 13 May, Lord Davies of Oldham accurately stated that

"the airport is about the development of that society, and the only prospect of development is tourism. The airport is therefore about how you get tourists in sufficient numbers to make an impact on the economy."—[*Official Report, House of Lords*, 13 May 2009; Vol. 710, c. 1094.]

St. Helena currently receives around £18 million a year in subsidies from the UK taxpayer. That figure is already predicted to rise to £25 million for the next fiscal year. Without an airport, such support will have to increase yet further. Continued reliance on access by sea means continued reliance on subsidies to maintain essential services at acceptable standards. It also means the continued stagnation of the economy and, in all likelihood, a resumption of the emigration of economically active residents. The result of that will be an increase in subsidies from the British taxpayer and the deterioration and ultimate destruction of St. Helena and its unique and irreplaceable culture.

Without an airport, we are simply talking about managing decline, and without an airport, St. Helena has no future. The Atkins feasibility study, commissioned by the UK Government in 2005, estimated annual revenues of between £1 million and £33 million from tourism up to a period of 20 years after the opening of an airport. That was confirmed by the Minister in the House on 9 March. The figure is almost twice the value of the current subsidy by the UK taxpayer.

A new consultation on access to the island was published on 9 April this year, the Thursday before Easter. As with the announcement of a pause in the airport project in the run-up to Christmas last, the timing seems to have been designed to attract as little interest and attention as possible. The document lists three options: option A is to build the airport now; option B is to decide now not to build the airport and commission a new ship to replace RMS St. Helena; and option C is to defer a decision on the airport for another five years and either extend the life of the ship or charter a replacement vessel in future.

Why are other practical aspects of the Department for International Development's support to St. Helena on pause or being held back pending the outcome of the consultation? At a time when St. Helena most needs assistance in planning and coping with the uncertainty of the future, there appears to be a ban on DFID representatives visiting the island. It would be helpful if the Minister answered that question.

The consultation is unnecessary, and it is an expensive diversion. It will cost upwards of £40,000, for which UK taxpayers will foot the bill. Saints have already voted overwhelmingly in favour of building an airport, and the Government promised in 2005 that an airport would be built by 2011-12. The 2002 referendum produced a vote in favour of an airport, and a decision to proceed was announced by DFID in March 2005.

In any case, the consultation process is not intended to be used so late in the decision-making sequence. As the DFID code of practice for consultation clearly states:

"The consultation exercise should be scheduled as early as possible in the project plan".

The 2002 referendum took place exactly in keeping with that advice, and the result should be heeded and acted upon now by the Government. Protracted delays since the decision to go ahead was made in 2005 have led many Saints in the UK and elsewhere to lose faith in the sincerity of the promise given by Her Majesty's Government.

Saints see the consultation as a poorly disguised way of killing the airport project, without using so many words, particularly given that it ends before the Reading sports day on August 30, which is the largest annual gathering of Saints in the UK—some 2,000 or 3,000 Saints could have been asked for their views at the event. I hope that the St. Helena Government informally gauge the level of support for the airport project at the sports day, so that we can report back to the House. Most, if not all, will be in support. The Reading sports day was known about and ignored by DFID. Consequently, Saints feel embittered and badly let down, and I would be grateful if the Minister commented on that aspect of the timing of the consultation.

The consultation document provides inadequate information on a number of areas: the impact assessment mandated by criterion 3.5 of the code of practice is sparse, to say the least; information on the influence of the recession, which is apparently a key consideration, is sketchy to say the least; and there is a total absence of any meaningful assessment of the impact on St. Helena of the preferred option of a five-year delay in making a decision. That is unacceptable.

Furthermore, the funding argument for a delay or cheaper alternative is based on the assertion that DFID has to decide between the competing claims of overseas territories, such as St. Helena, and aid projects that are needed in other countries. However, there is an obvious contradiction, because page 2 of the executive summary states:

"The UK has special obligations towards our Overseas Territories. The people of the Overseas Territories are British citizens. The UK remains committed to meeting their reasonable assistance needs and to helping them move towards economic self-sufficiency".

Moreover, article 73 of the UN Charter states:

"Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories".

It is clear that the needs of the third world, however worthy, should be secondary to the obligation to our own citizens.

Deciding not to build the airport and commissioning another ship—option B in the consultation—would represent an enormous waste of taxpayers' money on the access project, which has amounted to some £8 million to date. During the past 20 years, the UK taxpayer has spent more than £330 million at today's prices in subsidies to St. Helena. That is more than the cost of building the airport. The Minister stated on 27 March, as I am sure he remembers, that it will cost up to £75 million to build a replacement for RMS St. Helena. That is almost a third of the cost of the airport and would be in addition to the continued and increasing annual subsidy to the island, which would still be required.

Building a new ship will not provide sufficient capacity for St. Helena to develop a tourism industry, nor will it arrest the continued, irreversible decline, and it makes no financial sense for the British taxpayer. Building a new ship also makes no logistical sense. RMS St. Helena currently travels to the island only 33 times a year, and only twice a year from the UK. When the ship is dry-docked, there is no access to the island. That can be a matter of life and death for inhabitants who require urgent medical treatment. There is also considerable anxiety on the island that should the ship be disabled for any reason, the island would be cut off for an indefinite period. The option of continuing sea-only access and the risks that that brings will prolong indefinitely reliance on such a tenuous lifeline.

Deferring a decision on the airport for another five years—option C in the consultation document—is without question the worst option of all. Financially, a five-year delay will benefit nobody, least of all the British taxpayer. The additional cost of the delay could be as much as £100 million. The consultation document concedes on page 17 that the cost of building the airport and its essential support facilities, including roads, a new bulk fuel farm and water supplies, a wharf at Rupert's bay and inshore sea rescue services, will increase in the event of such a delay.

The consultation document also accepts that a delay would mean a loss of confidence in the bid process, which was at an advanced stage. Potential investors would understandably lose interest and the prospect for economic sustainability would be further set back as skilled workers continued to leave the island. Postponing a decision for five years would leave St. Helena in limbo, with no direction for the future, and condemn the island to depending on more and more subsidies just to maintain the status quo. Meanwhile, as the cost of building the airport increased, investors would lose interest and the British Government would be tempted to abandon the scheme.

If option C were taken, the need for an airport would increase, but the prospect of building it would recede, thus condemning the island and its population to terminal decline. St. Helena simply cannot afford to wait five more years with no guarantee that an airport will be built. With prolonged uncertainty over access and disillusion over economic prospects at home, outward migration is liable to resume, with serious adverse consequences for maintaining a viable society and economy.

The Government argue for delay on the grounds of the global recession and the resulting state of public finances in the UK, but that is a short-sighted approach. Building an airport now is the best solution for everyone. For the United Kingdom taxpayer, it would provide a tangible return on investment and reduce, if not end, the need for subsidies. Saints do not want to live on handouts from the British people. They do not want charity. They want desperately to stand on their own two feet, and it is up to this country to help them do so. Building an airport now is the only option that would give them the chance to manage their own affairs. Surely, that is a "reasonable assistance need", as stated in page 2 of the consultation document.

[Ann Winterton]

All parties including the Government agree that building an airport is the only answer to the problem of long-term financial dependency. Even the certainty of building it will stimulate the economy and encourage significant investment. The Minister said on 13 March that

"without an airport, St. Helena will remain dependent on UK budgetary aid indefinitely...with the introduction of air access and development of the island's tourism industry, the need for financial support would reduce progressively with the increasing potential for St. Helena to become self sufficient in the long term." [*Official Report*, 13 March 2009; Vol. 492, c. 856W.]

I could not have put it better myself.

2.51 pm

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate the hon. Member for Congleton (Ann Winterton) on securing this important and timely debate. She is right to say that the House and the Government must listen to the views of, and address the needs of the people of, St. Helena. The arguments are simple, and she ably set out the relevant points.

Like the hon. Lady, I was stimulated to take an interest in St. Helena by my constituents. I am fortunate to have in my constituency a community of Saints and many families with origins and connections in St. Helena. When we had a Labour club in Headington, it was the base for the St. Helena community and their social activity, and I got to know many of the families, building ties of friendship that have spanned more than 30 years. They are hard-working and loyal British citizens who understandably want to be able more easily to visit their island of origin and to see its economy—and thus its cultural and community viability—secured for the future. Although, against the backdrop of all that we need to do to combat change, it is right that any development of airports be closely scrutinised, the location of St. Helena, 1,200 miles from south-west Africa, surely makes a strong case. Indeed, that case has been considered, thoroughly evaluated and approved, and a promise has been made.

As my constituents, Mr. and Mrs. Brooks of Rose Hill, wrote to me earlier this year:

"The airport is vital to reduce the isolation of over 4,000 inhabitants who are loyal British citizens and give them and thousands of other 'Saints' who have been forced to seek work abroad hope for a better future. In December the Government announced a 'pause' in its negotiations over the contract. The announcement effectively brings the project to a halt. It appears that the Treasury refused to grant the money. The decision came as a huge shock to islanders, who had voted in support of the scheme. Many 'Saints' had plans to return to the island and find employment during the construction of the airport and develop business opportunities as a result of it. It would also enable many of us to return home to visit our family within a reasonable period of time, since we currently have to be away from the UK for three weeks to spend one week on the island."

In response to the representations that I made on behalf of our St. Helena community, and after I received a petition, my hon. Friend the Minister told me in a letter of 11 April what had already been announced:

"Negotiations for a contract to build an airport in St. Helena were paused in December 2008 in the light of the changed economic climate."

We should reflect on the phrase "the changed economic climate". It puzzled me and seemed to contradict the Government's sensible policy of tackling the recession by accelerating, not deferring, infrastructural investment. As we have heard, the consultation has now been published. It covers the same ground as previous consultations and the 2002 referendum. Incidentally, I hope that this debate will be accepted and considered as part of the response to the consultation.

What we need from the Minister is a Government commitment to get on and resolve the situation. If there are alternatives to the airport that offer St. Helena a future—as we have heard, nobody who has considered the issue has come up with one so far—we would need to know what they are, how they would work and, especially, how they would address the point explored so effectively by the hon. Lady: the island's continued acute dependency and the decline of its social fabric due to an ageing population. Otherwise, that dependency will stretch on, at a cost of £25 million and rising. What is more, hope will be drained from the islanders.

As the hon. Lady said, the people of St. Helena want to stand on their own two feet. It must be right to help them do so. I hope that in replying, my hon. Friend the Minister will give us firm assurances that the acid test for the Government's decision and future policy will be the economic, cultural and social viability of St. Helena and the welfare of its citizens. They are loyal to us, and we must be loyal to them and their future.

2.56 pm

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I, too, congratulate the hon. Member for Congleton (Ann Winterton) on securing this debate and demonstrating again that, despite St. Helena's distance and its relatively small number of inhabitants, as well as those Saints living in the UK, many parliamentarians take seriously the responsibilities that this country owes to our overseas territories. I will not make a long speech, as I had my own Westminster Hall debate on this subject a few months ago, but some of the issues bear repeating and considering in greater depth.

Overseas territories that receive budgetary aid from the UK Government do so through the Department for International Development. That creates a number of problems. In our previous debate, the Minister compared the support given to the people of St. Helena to support given to people in developing countries. I hope sincerely that he will not do so today. Although we have a moral responsibility to help people in developing countries—a responsibility that this Government have taken more seriously than any previous Government—we have legal responsibilities to the people who live in our overseas territories. To counterpose the two is most unhelpful and does not take us further forward. Development aid to people in developing countries is given for all sorts of good reasons, but just as we have had to consider how to develop the regions of our country—our policies to close the gap between the poorer regions of the UK and the south-east have been important to economic policy here in Britain—we must take seriously closing the enormous gap between the situation of British citizens in our overseas territories and British citizens who live here.

I will concentrate briefly on the social issues. The hon. Lady covered the wide range of issues important to the debate, but I want to focus a bit more on the

social fabric. Successful societies have a diverse range of people of all ages. One issue facing western Europe generally is an ageing population, so we must consider how to get more people in to support the economy and so forth.

Like a number of our overseas territories, St. Helena has a small society. It needs people of all ages if it is to be successful, not just economically, but socially. If the economy does not enable people of working age to stay on St. Helena, the social side will suffer. These are not short-term problems. If children are not brought up by their parents because one or both of them have to work away from the island, that will impact on their long-term emotional well-being. If children have to stay with other people, all sorts of issues can arise.

I do not want to suggest that the people of St. Helena are different from any other society. However, we know that when children grow up with other families, whether through fostering or informal care, problems arise. My background is in social work, which I did for many years. I have seen the kinds of problems that children face in such situations. We know that those can be exacerbated in smaller societies because there are fewer people with the resources to provide support. If, in addition, the time that it takes for people to return to their families is exacerbated by poor transport links, that will affect children who, for example, become ill and need to see their parents. Those things can be damaging and we must take them seriously.

Elderly people do not face only the issue of whether they can get the right medical care and support. People thrive more if they have regular contact with their families. We often worry in the UK that people move away from where they grew up—for all sorts of reasons, such as jobs—and do not support their elderly parents. How much more difficult must that be for people who live thousands of miles away from their elderly parents, and for whom it would take several days to return?

I believe that if we invest in the island by creating an airport and opening up access, this society has real potential. That is not just a wish that comes out of the air. It is based on the experience of another of our overseas territories. The Falkland Islands had a population that was in decline and had relatively few elderly people because the resources for them were so poor that many had left. As a result of an event that none of us would have wished on the Falkland Islanders—the war of the early '80s—the UK Government invested hugely in that territory.

The Government built roads. When I had the privilege to visit the Falklands, I was surprised to learn that there were few roads there before the conflict. The Government gave hospital support. A whole range of support is now available. The Falklands can sell fishing licences, and the economy is doing well. It has fewer residents than St. Helena. Elderly people who grew up on the Falkland Islands and then left because of the lack of support have returned. The hospital can undertake a wide range of medical procedures because of its links to other hospitals through technology and advice. Surgeons from the UK can also fly out there to undertake operations in a relatively short time.

The future for the people of St. Helena could be so much brighter. I will not go into the economic case because it is blindingly obvious. To delay at a time when we have the support of the private sector, which has invested hugely, is sheer madness. We should move ahead with the airport and give a real future to the people of St. Helena. Without doing so, can this Government say in all conscience that they are meeting their responsibilities to this overseas territory?

3.4 pm

Bob Russell (Colchester) (LD): It is a pleasure to serve under your chairmanship, Mrs. Dean. I congratulate the hon. Member for Congleton (Ann Winterton) on securing the debate and the measured way she put her compelling case for the airport, which is necessary for the economic future of the island. I congratulate the hon. Member for Sheffield, Heeley (Meg Munn) on her contribution, which follows on from the debate that she secured earlier this year. I also congratulate the right hon. Member for Oxford, East (Mr. Smith) on his contribution.

I also congratulate the hon. Member for North-East Milton Keynes (Mr. Lancaster), although he has not spoken yet. As a member of Her Majesty's Opposition, he has done something that no Minister has ever done: visited the island of St. Helena to see it first hand. What a pity that no Minister has ever bothered to do so. Royalty have managed to visit more than once and it is a shame that Her Majesty's Government have never sent a Minister there. The Government have come up with schemes and then dashed hopes. It was a shameful act that, having taken the island so near to the commencement of work, the Government pulled the plug.

I must declare an interest as chairman of the all-party island of St. Helena group. The patron saint of Colchester is St. Helena, although it is pronounced differently. My wife, our three children and I were all taught at St. Helena school, although that is not why I ended up as chairman of the all-party group. It is because, like other hon. Members, a constituent contacted me. In 1996, one of the first letters I received explained that a previous Government had withdrawn British citizenship. It is to the credit of this Government that they restored full British citizenship to the overseas territories.

St. Helena's pedigree predates the Union of England and Scotland. It was under the Crown of England before Great Britain existed. That is how strong its pedigree is. The islanders feel British; they are British. Why can they not be treated like British subjects, rather than as if they live in a country that has no connection with Britain and that we have no responsibility for? Quite rightly, the Department for International Development provides funds. That is to the credit of successive Governments and all political parties agree that it should happen, but the people who live on St. Helena should not be in receipt of international development aid. They are British citizens and should be treated as such.

It is worth pointing out the fact that residents of St. Helena serve in Her Majesty's armed forces. I do not know what the statistics are now, but a few years ago I came up with a great pub question: which country has the most people per head of population serving in Her Majesty's armed forces? Of course, the answer was St. Helena. More than 50 were serving then, which is a high percentage of a population of little more than 4,000.

[Bob Russell]

As hon. Members have said, there is now just an ageing population at one end and a young population at the other because the economic generators have had to leave the island in large numbers to secure economic benefits for themselves and their families. Interestingly, some of those people find work on the Falkland Islands. I have said in jocular fashion in the past what a pity it is that the Argentineans did not invade St. Helena as well, because invasion was the saving grace for the Falkland Islanders.

I accuse the Government of economic apartheid. The vast majority of people, if not the entire population, on the Falklands are white. Overwhelmingly, the population of St. Helena is not white. The Government are treating two island communities in the south Atlantic totally differently. Hundreds of millions of pounds have been pumped into the Falkland Islands while the Government treat the people of St. Helena as second-class citizens. That extends even to the people from St. Helena who helped to liberate the Falkland Islands on the RMS St. Helena, all of whom have been denied the South Atlantic medal.

It is not the fault of those people that they were not in the exclusion zone long enough. They went down there, but were kept out until they were required to go in. It is appalling that successive Governments have not even recognised the bravery of people from the island of St. Helena, who gave up their only means of communication—the RMS—only for Governments to tell them, "You can't have a medal." That is shameful.

As another aside, I should say that five girl guides and two guide leaders from the island will come to the UK next year as part of the centenary of girl guiding. Funds are being raised. Would it not be nice if the Government chipped in? Two years ago, the island just managed to raise sufficient money for one scout to come here for the centenary of scouting in Hylands park, Essex. That young man was away from the island for about a month because of the problems with the connection provided by the RMS and the TriStar from Ascension. Little wonder people from the island feel betrayed.

There is not a single MP here today to support the Minister, which is not surprising because he does not believe half the things he will be saying in a few minutes. He does not believe, although he may want to contradict me, that the cancellation, postponement, deferment or delay of the airport is the right thing to do—of course it is not.

Let us look just at the economics and the finance, because the Government are clearly not listening to the people of the island of St. Helena or to the arguments about their needs and welfare. Whether the issue is families, human rights, employment or tourism, the Government have not listened to any of the arguments in favour of the airport. They say, "It's the economics. It's the downturn in the economy. We can't afford it." However, the simple maths shows that providing an airport would take the island from being a net recipient of aid to self-sufficiency and surplus within 10 years.

We have heard the figures. The annual subsidy will be £25 million and rising. The simple maths—the Minister can do it on the back of a fag packet—is that we have the subsidy and the cost of the airport minus the cost of the RMS St. Helena, including the cost of repairing or replacing it. We also have the certain knowledge that the capital costs will go up every year that the project is delayed. The simple maths is that an airport will make the island of St. Helena self-sufficient at the end of 10 years. That has to be a bargain. It makes economic sense.

I recognise that it is not easy to get the Government to accept economic sense, but the sums are quite simple—the Minister and his officials can do them. That is the economic case, but there are people living on the island and they deserve an airport, although I do not see that happening.

I cannot commit my party, but I shall work as hard as I can on this issue because I have spent my entire political life arguing that we should invest to save and to provide services, facilities and amenities to improve people's quality of life. That is what the airport would do.

Obviously, the Minister cannot do it today, but I urge him to work behind the scenes to convince the bean counters in the Government that this is a clear case of the capital cost paying for itself at the end of 10 years. Thereafter, there will be no need for the British taxpayer to make any revenue contributions to the people and the island of St. Helena. The island will be self-sufficient, the population will grow, the children will be able to grow up with a full family network and everybody will be a winner.

I urge the Government to go with the option of building the airport now because the do-nothing option is far more expensive.

3.14 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure to contribute to this timely debate, and I congratulate my hon. Friend the Member for Congleton (Ann Winterton) on securing it. Having listened to what she had to say, I am amazed that she has not been to the island, such was the informed level of her comments. She gave us a passionate speech, which outlined very well many of the concerns that I heard about when I was on the island. I would also like to take this opportunity—I am sure that I speak on behalf of all hon. Members here today—to thank Calvin Thomas, who is a St. Helenian, for his many years of service to Parliament.

The right hon. Member for Oxford, East (Mr. Smith) also gave us an informed and passionate contribution on behalf of his constituents. The hon. Member for Sheffield, Heeley (Meg Munn), who is a former Minister, made a powerful argument as to why we should make a decision. Likewise, the hon. Member for Colchester (Bob Russell), who has put in many hours as the chairman of the all-party group on the island of St. Helena, made an equally powerful contribution. There seems to be a consensus on both sides of the House, and I hope that the Minister is listening to what is being said.

I want to take this opportunity to reaffirm the Conservative party's commitment to our overseas territories. There is a feeling that they have been neglected to a degree over previous years, although, that said, I pay tribute once again to the hon. Member for Sheffield, Heeley for her previous work. That neglect is precisely why my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) was absolutely determined that I should

go to St. Helena—as we have heard, that is very difficult given the access issues, and it is particularly difficult when Parliament is sitting—to experience at first hand the concerns of islanders and to listen to their comments.

I was absolutely delighted to go the island last month. I want to put on record my thanks to the governor—Andrew Gurr—the executive council and all the islanders for their hospitality during my three days there. I had an incredibly busy programme. I spoke to nearly all the key stakeholders and had a series of public meetings, including formal ones and less formal ones in the pub, which was fun, if I am honest. The pub is a good place to meet St. Helenians, who are wonderful people. St. Helena is a wonderful island with a unique character, and I think that we all agree that whatever happens in the future, we have an obligation to ensure that that character is maintained. That must be at the forefront of our minds.

Although the debate is about the future of the island, it is worth talking about the situation today. Of the current £20 million-plus given by DFID each year, approximately £12 million is required to balance the island's budget. In the past 10 years, the population has declined from just over 5,000 to 4,000, and UK aid to the island has risen from £10 million a year to more than £20 million.

3.15 pm

Sitting suspended for a Division in the House.

3.30 pm

On resuming—

Mr. Lancaster: Before we were interrupted, I was about to move on to the current access arrangements for the island—the Government-subsidised RMS St. Helena. Simply maintaining the current arrangements will limit the prospects for economic growth on the island. After my visit there, it is hard for me to disagree with the common view on the island that DFID is simply managing the island's decline. I am sure that the Minister agrees that we cannot allow that view to continue. St. Helenians are fiercely proud of their British citizenship and have a long history of service to the Crown, as the hon. Member for Colchester has said. It is important to remember that the island has no indigenous population and was created entirely by the British, but I am afraid that islanders feel incredibly let down by the current Government in particular.

The access problem has been recognised for some time. Civil Aviation Authority studies carried out in 1973 and 1984 led to the initial air access feasibility study in 1999. A referendum of islanders in 2002 showed that 71.6 per cent. of voters favoured air access over a replacement ship. A further, detailed feasibility study carried out in early 2005 led to expressions of interest in a contract for the design, building and operation of the airport being issued in December 2005. In 2006, all four bidders pulled out because of concerns about risk allocation, and new expressions of interest were issued in September 2006; I shall return to that point in a moment. Following St. Helenian Government approval, Impregilo was selected as the preferred airport tender in October 2008. A few weeks later, in December 2008, the Secretary of State announced the pause.

Let me be clear: the islanders are utterly exhausted by the 26-year process and feel that any further studies will add little value because just about every piece of information that can be has been gleaned from them and the island. Let me also be clear that if the Government get their way and impose a five-year pause, and if the air access route is subsequently followed, it will be at least another nine years before an airport is delivered, given the four-year construction period. The current consultation, which was announced in March 2009, is viewed as a sham by many islanders, most of whom are deeply disillusioned, and, unfortunately, many of them will not participate. After years of engagement with DFID consultants, they feel that they have made their views plain.

During my time on the island, I was constantly referred to a brief section on overseas territories in the 1997 DFID White Paper, which states at paragraph 2.28:

"The Government reaffirms its responsibilities for Britain's 13 remaining Dependent Territories...The reasonable assistance needs of the Dependent Territories are a first call on the development program."

There was real anger that NGOs that have no involvement with the island have been invited to comment on the consultation. As fiercely loyal British citizens, and in light of the White Paper commitment, islanders do not understand why, to quote an islander, they should be

"lumped together and wait in line with non-British third-world countries".

The islanders hate being dependent on aid, and they desperately want to be self-sufficient. They feel that the status quo of managed decline is unacceptable and will simply lead to further decline. Although the relationship has improved in recent years, thanks mainly to the sterling efforts of the DFID's island representative, Mr. Eddie Palmer, DFID is, unfortunately, still widely viewed with suspicion on the island. DFID is seen as a micro-managing organisation that has sent a stream of consultants to write reports that recommend actions that are never implemented due to lack of funding. I cannot emphasise enough how badly let down the islanders feel by the Government's dithering and indecision over the airport, especially given that the project was signed off by the Secretary of State, only to be reversed, out of the blue, eight weeks later.

Ann Winterton: What does my hon. Friend think happened between 16 October 2008, when the Secretary of State entered final negotiations, and the pause that was imposed seven or eight weeks later on 8 December? I might ask the Minister the same question in due course. What does my hon. Friend think happened in that period to change the Government's view?

Mr. Lancaster: If only I knew. That is a key question, which I, too, was going to ask the Minister. All I can say to my hon. Friend is that the excuse about the economic downturn has been dismissed by islanders, because the looming recession was already anticipated when the document was signed in October. It is an incredibly hollow argument that within that eight-week period, given that the agreement was first signed in October, the economic recession suddenly loomed out of nowhere.

[Mr. Lancaster]

Let me say a few words on private sector involvement. The consortium Shelco has been involved in the process since May 2002, with a view to providing a private finance initiative and operating a high-end tourist resort on the island. It has secured an option on a 400-acre site on the island from Solomons—the 60 per cent. majority, St. Helenian Government-owned land owner—but that option runs out at the end of 2009, so timing is important.

Some islanders are concerned about the price that will be paid, both financially and in relation to the island way of life, for Shelco's involvement. There are also concerns that a monopoly situation would emerge, with flights being unaffordable for islanders and with insufficient financial benefit being retained by the island to ensure economic growth. The private sector route remains an attractive option, but there are concerns that there is insufficient private sector expertise in either DFID or the St. Helena Government to negotiate with any potential operator to ensure that the best value deal for both the UK taxpayer and islanders is negotiated.

The previous invitation-for-proposal route failed when all the contractors pulled out, because there was too great a gulf between the private sector and the Government. Insufficient communication and round-table negotiation led to it being impossible for a satisfactory outcome to be achieved. If that route were pursued, a more sequenced, negotiated approach would be required, and if the Department lacks the skill to do that, outside support would have to be sought.

In summary, I must tell the Minister that my impression from my visit was that DFID is effectively managing the decline of the island through aid but very little development.

Meg Munn: I wonder whether the hon. Gentleman has estimated what that period of decline might be. He may be aware that another overseas territory, the Pitcairn Islands, has, of Pitcairners, only about 47 people living there, and that the end of the period when that community can remain viable is not clear. Given that there are 4,000 people on St. Helena, does he have any idea how long that management of decline might go on, and therefore how long UK taxpayers' money will be needed to support those people?

Mr. Lancaster: The hon. Lady makes a reasonable point. We seem to be doing nothing more than administering life support at the moment, which is why we have to do something, rather than kick this issue into the long grass. It is a key concern that infrastructure projects have been identified by a whole sequence of DFID representatives, but are rarely funded.

Worse still, the pause that was introduced following the change of heart over the airport has been very damaging to the island economically. That view has been emphasised to me during meetings with the chamber of commerce, the St. Helenian development agency and the building union, and the issue has caused enormous resentment among the islanders and the 10,000 Saints who live in the UK who feel utterly let down by the Government. During a dinner with representatives of the private sector, I was told that, as a direct result of the confirmation in October 2008 that the airport project would go ahead, approximately £57 million of pledged private sector investment was made, of which £18 million of actual investment has taken place. The anger among the private sector was palpable and there was a complete lack of trust in Her Majesty's Government as a result, which is something it will take a long time to repair.

It is also important to remember that the airport formed the heart of a wider programme of infrastructure improvement on the island. The island needs new diesel storage tanks—it recently came within 72 hours of running out of diesel—a new road infrastructure, new port facilities and a new electricity generating plant. I experienced two power cuts while I was on the island, and I was assured that they were not arranged especially for me. All that has now been put on hold as a result of the pause. The entire economic development plan of the island has been based on the provision of an airport.

Bob Russell: Will the hon. Gentleman confirm that, in addition to the economic benefits that he has just described, the construction of the airport would require a new dock area and a new haul road to be built? That would also benefit sea transportation to the island and provide a further boost to the island's economy.

Mr. Lancaster: That is exactly the point that I am trying to make when I say that investment in the airport is so much more than a matter of the airport itself. The airport is now on pause and, frankly, islanders simply do not know what to do because of the uncertainty and indecision. It has been repeated to me again and again that no decision is the worst decision, because of the inability to plan

Before I conclude, I want to look briefly at the recommendations in the consultation paper. Option A is to build an airport, which is undoubtedly the preferred option of the islanders. Although they would prefer an entirely publicly funded airport, that is clearly unlikely in the current economic climate. However, as the Minister admitted in May, it is clear that eventually an airport will have to be built, if the island is going to develop economically. It is also clear that doing so will not get any cheaper as time passes. Private sector partners—Shelco and Impregilo—remain interested and business models exist that show there would be a positive internal rate of return after 15 years or so with only modest visitor numbers. I understand that Impregilo wrote to the Minister on 30 April and offered to extend its arrangement until 30 June. Perhaps the Minister will confirm that and say whether he has replied to the letter and answered some of its many questions.

The Government's commitment to maintaining current access levels equates to investing at least £70 million in a new ship. There is a mood on the island that that money could be used to prime the private sector development, while maintaining a degree of St. Helenian Government control over the project, which is crucial. Ironically, that was the original model proposed after the 2004 feasibility study. Why is that no longer an option, and why was it not included in the consultation document?

Option B is to replace RMS St. Helena, which is the preferred option of a minority on the island, in order to maintain the character of the island. Effectively, that would maintain the status quo of managed decline on the island. However, limited improvements could be made to access by having a faster ship and changing the schedule, so that the ship simply serves the Cape Town-St. Helena-Ascension triangle by removing the twice

annual trips to the UK and relying on trans-shipping cargo in Cape Town instead. Interestingly, when I met the ship's crew, they confirmed—perhaps surprisingly given their self-interest—that they had an overwhelming desire for an airport.

Option C is to defer the decision for five years, which is the UK Government's preferred view and is, ironically, a do-nothing for five years option. If taken today, a decision would delay the building of an airport for at least nine years. Having visited the island, that is clearly the worst possible option, and it has been overwhelmingly rejected by islanders, because it would cause considerable damage to the island for reasons already stated. The early signs of the hastened economic decline as a result of the Government's change of heart are already evident on the island. Interestingly, there was resentment on the island in some quarters that no opportunity was given to islanders to suggest other options, such as a flying boat service, a smaller runway or a faster boat service. After investigation, it appears that those options were looked at by the 2004 Atkins report and rejected. Having discussed them with the island's Executive Council, it is clear that the extra time required to explore those options again would simply add to the pause and be unacceptable to an island that desperately needs a decision.

In conclusion, I say to the Minister that having been there, it is absolutely clear what the islanders' view is—in fact, I sense that he already knows what their view is. He is a Minister who stands tall among his colleagues and I only hope that, in the final days of this Government, he will take the opportunity to do one thing as a Minister that he knows he can achieve. I ask him to be bold, be strong, be tall and make a decision, because I assure him that if this Government are not prepared to take a decision on the island for the future benefit of St. Helena, the next Government will.

3.45 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): It is always a pleasure to see you chairing such debates, Mrs. Dean. I extend my congratulations to the hon. Member for Congleton (Ann Winterton) on securing the debate after, it seems, much trying and echo the comments made by the hon. Member for North-East Milton Keynes (Mr. Lancaster) about her contribution. I know that she is retiring from the House at the next general election, but given what she said about St. Helena and its attractions, I am sure that there will always be a career for her in the tourism industry.

Given the frequency with which we seem to debate the issue of St. Helena, it is good to be among what some people would call the usual suspects—I like to call them my friends. I value their contributions and I will address the points that they have made. We have plenty of time to do so and there is no rush.

We are at an important point in the process in that, this week, the facilitated consultation referred to in the debate gets under way on the island. We shall await the outcome of the consultation process before reaching a decision, and with that in mind I suspect that hon. Members will not be surprised to hear that I can add little to what I said in this Chamber during a similar debate about St. Helena on 17 March. However, I reinforce the point that no decision has yet been taken and that we will take it only after the consultation has been completed.

Bob Russell: Is the Minister asking us to accept that one of the options—to build the airport now—is still very much in the frame or is it there just for the sake of it?

Mr. Foster: All options are listed in the consultation paper. The Government have indicated what they consider the preferred position, but if option A was not going to be considered, we would not have put it in the consultation document. I can assure the hon. Gentleman of that.

Let me begin by reassuring hon. Members that the pause in the process in no way represents a dilution of the Government's commitment to meet the reasonable needs of St. Helena. Let me make two things clear. First, the Government are not proposing to reduce their financial assistance to the island, which stands at approximately £20 million a year—in other words, around £5,000 for every man, woman and child resident on the island. Secondly, the Government are not proposing to reduce access to the island from the level that it has enjoyed over the past 20 years.

The question is therefore not whether we are discharging our responsibilities towards the people of St. Helena; it is, in fact, whether—in addition to our ongoing assistance to the island—the Government are in a position to finance the construction of an airport, which would require some £230 million to £260 million extra in aid over the next five years. In other words, it would involve an extra £57,000 to £65,000 for every man, woman and child resident on the island, on top of the £5,000 a year that I have already mentioned.

Mr. Lancaster: What the Minister said is perfectly reasonable. I simply ask him to rule out the do-nothing option.

Mr. Foster: I will come to the hon. Gentleman's comments and answer the questions he and others asked at the same time, because this issue affects hon. Members from all parties.

I shall put the choice in context. We have paused the project not only because the costs I have highlighted are three times higher than the estimates we had at the time, which we committed to the project in 2005, but because the world has taken on a very different complexion from that of the economic environment in which our previous planning took place.

Bob Russell: Does the Minister anticipate that capital building costs will fall during a five-year pause? Assuming that that is not the case, does he agree that 10 years of subsidy at £25 million a year roughly equates to the capital cost of building the airport? Thus, in year 11, the island of St. Helena would move from being dependent on the British taxpayer to self-sufficiency and then surplus.

Mr. Foster: The hon. Gentleman raises an interesting point about what might happen to future costs. All I would say is that not just the basic raw material costs, but the important impact that the exchange rate has must be considered. I shall deal with that shortly.

Ann Winterton: I have two brief points to make. First, will the Minister answer the question put by my hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster)? He asked what caused the pause between October and December when the Government decided that they would not go ahead with the airport and that there would be a further consultation.

The second and important point is that we all live in the real world. We know what the economic difficulties are in this country and elsewhere and that a new airport would cost a great deal of money. If by any chance further private capital—further investment—could be acquired elsewhere, would the British Government still contribute significantly to the project? If so, will the Minister speculate on how great their support might be?

Mr. Foster: I have said that I intend to reply to the question about what happened between autumn and Christmas, but I shall answer it now for the hon. Lady. The worsening of economic conditions intensified in the autumn, which brought to the attention of the Government and my Department the need to look again at what would be, in anyone's language, a serious investment—a serious chunk of cash—that would have to be paid out in the next five years.

On the second question, my Department is perfectly happy and willing to look at any proposals that are made as a result of the consultation exercise. If the hon. Lady knows of private sector investors who are willing to make a contribution, I ask her to encourage them to present their ideas to the Department. I can assure her that they would not be ignored.

Andrew Rosindell (Romford) (Con): Will the Minister give way?

Mr. Foster: May I make more progress?

My hon. Friend the Member for Sheffield, Heeley (Meg Munn) and the hon. Members for Colchester (Bob Russell) and for North-East Milton Keynes asked in different ways why overseas territories are part of DFID's responsibility. I have to be perfectly honest and admit that that is an interesting question.

My hon. Friend the Member for Sheffield, Heeley will know from her time as a Foreign Office Minister with responsibility for overseas territories that there are differing views in Whitehall about exactly how overseas territories should be treated and who is responsible for their management and the funding that goes with it. The debate has gone on for some time. I have looked at the issue across the 12 years of this Government and before that. There has been a debate about who has responsibility because of the perceived conflict that can exist between meeting the first-call, reasonable needs of the overseas territories and, to use the more colourful language of the hon. Member for North-East Milton Keynes, who quoted a resident of St. Helena, dumping St. Helena with the third world. *[Interruption.]* The hon. Gentleman was quoting.

There is an issue that needs to be looked at. If the hon. Gentleman is suggesting that, in government, he would look at it and rejig the structure of Whitehall, I would be happy to hear his views.

Andrew Rosindell: I apologise for missing the first part of the debate, but it is timely to come in on this point. Surely, the Minister understands that we are talking about not just finance and economics, but loyal British subjects and an overseas territory that is not foreign or international, but British. We have a duty and a responsibility to the people of that island, which we now appear to be neglecting by introducing a shameful pause in delivering the promise that the Government made to them.

Without the airport, there will be economic decline, which none of us wants. A British territory deserves to be treated as British, not as foreign or international. When will the Government make true the promise that they made to the islanders of St. Helena?

Mr. Foster: The obligation that the UK Government have towards the overseas territories is being met. They have first call for reasonable assistance needs. Perhaps some difference of opinion about the definition of "reasonable assistance needs" will show up as a result of the consultation document. I suspect that that is the bone of contention.

In DFID's current position, with the overseas territories as part of its responsibilities, we have a duty to consider what else is going on in the world. At this time, our best estimate of the impact of the global economic downturn, which is acknowledged as one of the most serious downturns of recent generations, is that 90 million more people are living on less than $1.25 a day, there has been an 80 per cent. reduction in capital flows to emerging economies and developing countries, there have been reductions in remittances to developing-country households and an estimated 1.4 million more infant deaths are likely to occur up to 2015.

Meg Munn: I said in my speech that I hoped the Minister would not repeat those facts, as he did last time. That was not because some of us do not believe that the Government should respond to problems in the developing world, but because the reality is that if the situation on St. Helena deteriorates, or if, as I suggested, some problematic social situation arises, the British Government will have to deal with the results.

We have a legal responsibility that goes beyond the moral responsibility that we all feel for international development. It is that legal responsibility, which was set out by the United Nations, that hon. Members are asking the Government to fulfil. The overseas territories are different, which is why we do not think it appropriate for the Minister to counter-pose real and important development issues.

Mr. Foster: I know that my hon. Friend asked me not to put this debate into the context of developing countries and other needs, but, unfortunately for her, that is the situation that the Government find themselves in. I would be genuinely interested in—and may look back, if I can—the record of her time as Foreign Office Minister with responsibility for overseas territories. Did she make such recommendations and is this something she advocated? This important issue should be debated.

The loss in the value of sterling against the United States dollar over the past year means that in many countries of the world our aid is not going as far as it did. It has reduced the value of our multilateral payments and has also had an impact on many of the larger international non-governmental organisations to which we provide funding. DFID's budget has come under pressure from new calls for aid to protect low-income

countries that are most vulnerable to the global downturn. For example, we recently agreed to provide £200 million in response to a request from the World Bank for $5 billion to $6 billion for its vulnerability financing facility, and at the beginning of the year we approved £100 million of contingency funding for Africa.

There are also growing financial pressures in other overseas territories, which the Government must take into account. The value of our aid to Montserrat, for example, whose local currency is pegged to the dollar, has fallen by 30 per cent. due to exchange rate decline.

Bob Russell: Important though those points are, does the Minister accept—I do not know how many times I have asked him this question, but he has not answered it—that 10 years of subsidy to the island of St. Helena roughly equates to the cost of building the airport? At the point the airport is built, the island will move from being dependent on the taxpayer to being self-sufficient and creating a surplus. Investment will save the British taxpayer money—and then there will be more money to give to Montserrat and the other countries.

Mr. Foster: I intend to reply in detail to the hon. Gentleman's point, but the problem is that Montserrat is facing its difficulties now and cannot wait 15 years before money becomes available to deal with them. If he does not appreciate the difficulties faced by overseas territories such as Montserrat, let me tell him that last night its Government fell and there has to be a general election. It is facing serious difficulties.

Other Caribbean territories have seen tourism fall markedly, which is seriously affecting the viability of their economies. As I told the House in March, these impacts of the global crisis seriously affect the Government's ability to achieve all their international development objectives. An airport for St. Helena represents significant outlay, which is why we have to revisit the choices before us. That is not to say that we are ignoring the special place that the overseas territories have in the aid programme, but as I said earlier reasonable need cannot amount to an unqualified commitment, irrespective of circumstances.

There is near-universal agreement that the current circumstances are exceptional. The Government cannot evade their responsibility to re-examine the case for the airport at this time, given current circumstances and the scale of the expenditure involved.

I want to say a word or two about the consultation, which was mentioned by hon. Members. The consultation is an indication that we are not taking this decision lightly. We are well aware of the importance of the airport to the Saints who voted for it in the 2002 referendum. We are well aware of the social problems, which have been outlined in the debate, relating to the lack of easy access and a weak economy in St. Helena. We launched the consultation to ensure that the Government can hear from all those who will be affected when we come to our eventual decision.

We have made every effort to ensure that the Saints will be heard. As I speak, our consultation facilitator is on the island, listening to the Saints first hand. This evening, she is holding a public meeting at the Kingshurst community centre, which is one of a series of events organised for her around the island during her eight-day stay. She has already spoken to Saints in London and Swindon, and she will make further visits to the Falkland Islands and Ascension Island before the consultation deadline.

Mr. Lancaster: The consultation ends on 31 July. When will the Government make a decision?

Mr. Foster: If the hon. Gentleman shows a little more patience, he will see that I will deal with that. He is right to mention that the consultation ends on 31 July, after which there is, under the Government code of conduct, a formal period within which the Government are expected to produce a report based on that consultation. I will outline the details for him in due course.

Sir Nicholas Winterton (Macclesfield) (Con): I apologise for missing part of the debate. So far, the Minister has not provided the cost of managing the decline in St. Helena. It seems that that has been ignored, although it will cost the United Kingdom Government additional sums to manage the decline of that country because of the island's failure, which will result from the failure to proceed with the airport.

Mr. Foster: Many of the calculations that the hon. Gentleman seeks were in the report that has been presented and is publicly available now. Those numbers are already available to give people an indication of why, when that report was produced, the outcome favoured an airport.

When all the responses to the consultation are collated, together with all written submissions received, we will summarise them in a consultation report that will be published in October. I assure the hon. Member for Congleton that, when we come to make a decision, which we will do by the end of this year, we will take those responses into consideration and weigh them up alongside the shorter-term financial considerations that we are contending with.

I acknowledge the interest expressed in the debate and outside by hon. Members who are exploring other ways to improve physical access to the island, because that is the nub of the issue and of people's concerns.

Ann Winterton: Before the Minister moves on, I understood him to say that the Government would come to a decision by the end of the year. Will he give an undertaking this afternoon that, if that decision is deferred, there will still be a timetable in place so that uncertainty about the future of the airport on St. Helena can be removed, because as many hon. Members have said this afternoon, uncertainty is a killer? People on the island and those outside it—those investing—need to know what the future holds if this matter is to be progressed.

Mr. Foster: The hon. Lady makes a fair point. The delay is important and was mentioned when I spoke to the governor and representatives from St. Helena when they visited me at DFID. The hon. Member for North-East Milton Keynes also made a good point in that regard. As the hon. Lady says, delay is the killer.

We do not want the debate to be any more protracted than it needs to be. Because of the issue of access to St. Helena, we have extended what under Government guidelines would normally be a 12-week consultation to a 16-week consultation, just to enable due consideration

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to be given to people in St. Helena and to allow them to meet the facilitator and genuinely to engage in the debate.

The hon. Lady mentioned the event in Reading at the end of August, at which a number of Saints will be present. However, if we waited formally until the end of August before concluding the consultation, that would just extend the period by a month. With all due respect, I—and I think she—would rather we made a quick decision in the hope that the Saints had already taken an interest in the debate and not waited until the bank holiday event in Reading.

On improving physical access to the island, there has been discussion about whether a shorter runway or increased use of the Wideawake airstrip on Ascension would be appropriate. Some have asked for more imaginative means, such as flying boats, to be considered. Those options have all been examined and deemed unsuitable, either for reasons of technical feasibility or for their limited potential to enable economic growth. For example, it is believed that the option of a shorter runway would not deliver the benefits that connection to a recognised international hub would bring. That lack of connection reduces the attraction to the tourism market.

Additional factors are associated with restrictions on the use of the military airfield on Ascension Island. For example, it does not meet Civil Aviation Authority standards and is operated by the United States military. There are restrictions on the number of civilian flights that can go via Ascension. The cost of a short runway is not significantly lower than that of a longer one, for technical reasons that were all explored in the previous consultations.

Let me deal with some of the issues that have cropped up in the debate. The hon. Member for Congleton asked whether St. Helena lacks the practical aspects of support while the delay is going on and suggested that there is a ban on DFID representatives visiting the island. I can say categorically that there is no such ban. The three-year assistance package that was negotiated with the Government of St. Helena and started in 2007 remains unchanged in respect of its commitment. To provide examples of how we are still investing in infrastructure, last year DFID provided £5 million of infrastructure investment, including £2.25 million for rock-fall protection works in Jamestown. This year, the Department is making available up to £4.5 million for infrastructure investment.

To ensure that St. Helena can benefit from the higher funding that has been agreed, DFID is supporting the recruitment of experienced engineering managers to improve capacity in the public works and services department on the island.

I mentioned the Reading event, and I hope that the hon. Lady is satisfied on that point.

My right hon. Friend the Member for Oxford, East (Mr. Smith) proved to be a powerful advocate for his constituents and asked whether we would give a commitment to get on with the matter. The answer is yes; that is essential for us and for the Saints. He also asked whether we would take account of the long-term challenges facing the Saints on the island when we make our decision. The answer is yes, of course we will.

My hon. Friend the Member for Sheffield, Heeley asked about the overseas territories. She proved to be a powerful advocate on behalf of St. Helena and served its residents well.

The hon. Member for Colchester—my friend from Colchester—asked why we cannot treat Saints as British subjects, and I addressed that in terms of the position of overseas territories. I regret his use of language in referring to the Government's decision being economic apartheid on the basis that Falkland islanders are white and Saints are not, and that that is why the Falklands received investment when St. Helena did not.

I think the hon. Gentleman used such language to reinforce his argument and that he does not believe it. But if he does, that is a mistake that many politicians make. The two facts may be correct, but that does not mean that they are causally related. There is a big difference between how the Government are dealing with the matter and how the South African regime operated apartheid.

Mrs. Janet Dean (in the Chair): Order. We must move on to the next debate.

Ambulance Services (Crewe and Nantwich)

4.12 pm

Mr. Edward Timpson (Crewe and Nantwich) (Con): It is a pleasure to serve under your chairmanship, Mrs. Dean, and to be able to stand here today to demand a better ambulance service for my constituents. I thank Mr. Speaker for granting me this debate. I welcome the Minister to his new position, and I wish him well in what I hope will be a fruitful debate and the conclusion to the problems that ambulance services in Crewe, Nantwich, Cheshire and the north-west have experienced.

In the past 15 months, I have been engaged in a battle with North West Ambulance Service about volunteer ambulance services in Nantwich. The town had two highly visible and respected volunteer community first responders who provided a quick response to emergency health care incidents using a blue light emergency vehicle and a range of capabilities when they arrived on scene. Given that no paramedics were based in the area, local residents and the local council thought that that was an excellent service, which is exactly what it was. The dismay of all those concerned can be imagined when early last year the service was downgraded by North West Ambulance Service and continues to be so.

That downgrading has resulted in fewer calls—the number has fallen from 120 in December 2007 to just over 20 in February 2009. There have been fewer services, and according to the NWAS medical director, even aspirin is now a dangerous drug in the hands of community first responders, who should not have access to it as part of their medical kit. They are no longer allowed to use blue flashing lights, which is perhaps the most bizarre decision, given the findings of the Healthcare Commission's report into the neighbouring Staffordshire Ambulance Service in 2008, which stated clearly that the first responders need sirens and blue flashing lights to operate safely and effectively. Does the Minister agree that as a matter of principle and common sense, when a community first responder has the necessary training to drive with a blue light—we cannot ignore the fact that its purpose is to ensure a speedy response to a life-saving situation to enhance the prospect of patient survival—it would be perverse not to allow them to do so? Sadly, however, that is what has happened in Nantwich in the past year.

The downgrading of community first responders resulted in what can only be described as local outrage. It led to my leading more than 1,000 residents on a protest march through a normally peaceful Cheshire market town. I understand that it was the first march in that town since the English civil war, which speaks volumes for the feeling among local residents. I also presented a 10,000-signature petition from local councillors, residents, first responders and so on to Downing street, and had the opportunity to raise the matter in a debate on the Floor of the House in January.

Fifteen months after the matter arose, we now have on offer a slightly downgraded service with a different mechanism that will, unfortunately, cost more. The current proposal is that retained firefighters will provide the service, but they are the same people who were providing the community first responder service as volunteers and unpaid members of the public. The blue lights will be back for properly trained drivers, but we had blue lights before and the drivers were properly trained. The range of services that those retained firefighters will be able to provide will be more limited than when the community first responder scheme operated before NWAS became involved.

I am sure that the Minister will do his bit and tell us what the North West Ambulance Service is doing and what it is providing, and he will no doubt back that up with marvellous statistics about its work. Although I have not yet seen written confirmation, which is unusual for such a bureaucratic organisation, a retained service has been promised, which will claw back most if not all the skills of our local community first responders. Such a guarantee would be welcome in writing—we have not received that—and I received a copy of a letter today from Nantwich town council to the area manager of NWAS making that point and seeking clarification of what is on the table as part of the retained co-responder firefighter/ambulance service.

According to 2006-07 figures, the service used to cost North West Ambulance Service £12 per call-out for volunteer first responders. The firefighters will be paid for the service that they provide, so where have we ended up after 15 months? It seems that we have less service, a year's disruption, more cost to taxpayers, and disregard for hard-working volunteers. The problem is that NWAS seems to have no idea of how to handle community issues. The burden of bureaucratic meddling among its senior management has sometimes been astounding, and to the detriment of its concern for my real, living, breathing constituents whom they are there to serve.

To put that into context, in 2008-09 NWAS spent more than £620,000 on communications. It even spent just under £400 on an equality and diversity calendar this year. I am sure that that is a noble cause, but that money is equivalent to the cost of at least 20 first responder call-outs for the people of Crewe and Nantwich. How that image-conscious spending has helped response times in the north-west is beyond me, but it seems to have produced the poorest results in communication.

It is not just me saying this. The Cheshire county council scrutiny committee report on NWAS's review of community first responders noted that

"there appears to have been no core principles underpinning the review".

It was "surprised" that

"the review of CFRs was not the subject of a written report to NWAS's Board."

It also noted:

"NWAS may wish to review its approach to communications and consultations not only in the context of its statutory obligations on patient and public involvement, but also more generally."

I suspect that the scrutiny committee was being polite in the terms that it used.

Where does that leave us? Nantwich, the surrounding area and, to an extent, Crewe now have in sight once again their own retained ambulance service. If that is the outcome, it will be welcome. We have been through some long and arduous meetings over many months. It should be seen not just as a single entity, but as a model for similar schemes across Cheshire and the north-west, including the village of Audlem, which is on the edge of my constituency, Sandbach, Congleton, Chester and Knutsford. It has, however, taken 15 months of effort

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from me, Nantwich town council, local first responders and members of the public to keep the issue on the boil and bring about a remotely acceptable outcome.

In the process, the Crewe and Nantwich public have marched against the ambulance service and voiced their concerns, staged other demonstrations and suffered a massive loss of confidence in that service's ability properly to demonstrate a will to improve and provide for residents in our area. All that is combined with the ongoing problem of poor response times in our rural areas, with not one category A call being responded to within the target time for Audlem, near Nantwich, in a recent reporting period. That would be unacceptable to any area of the country, let alone Audlem.

As my hon. Friend the Member for Eddisbury (Mr. O'Brien), who shares a surname with the new Minister, has rightly pointed out to the House,

"community first responders are effectively filling a major gap that has arisen due to the inadequacy of the North West Ambulance Service". [*Official Report*, 21 January 2009; Vol. 486, c. 797.]

The Minister of State, Department of Health (Mr. Mike O'Brien): I am listening carefully to the hon. Gentleman and he makes his case very well, but I am not entirely clear on what he is asking me as a Minister to do. He is saying that he has concerns about the North West Ambulance Trust. He is well aware that the hon. Member for Eddisbury (Mr. O'Brien) is very clear that Ministers should not interfere with local trusts—that there should be no political involvement at all and trusts should be allowed to get on with the business of making decisions. What we are talking about here is a local trust that has made some decisions. The hon. Member for Crewe and Nantwich (Mr. Timpson) obviously disagrees with the hon. Member for Eddisbury, but what I am interested in is this: what is he suggesting that Ministers ought to do—intervene in this case?

Mr. Timpson: I am not sure that my hon. Friend said exactly what the Minister has just said about what involvement the Department should have with the trust. He may be referring to some other occasion. I simply said that my hon. Friend had pointed out that community first responders were filling the gap that had arisen due to the inadequacy of the North West Ambulance Service. I did not mention what his view might be on the involvement of Government in the work done by the trust on the ground.

I was coming on to some of the things taking place in the trust that I think the Minister needs to be aware of. As part of the Department of Health's response and guidance, clear boundaries need to be set as to exactly what is expected, to ensure that response times are being met not only regionally, but locally. That deficiency cannot just be left at the door of the trust; it has to involve the primary care trust and the Department of Health. We need to ensure that there is a joined-up response so that where there are failings in the service provided by our ambulance service, that is brought to the attention of the Department and it is not left believing that everything in the garden is rosy, because it clearly is not and has not been for some time in my constituency.

Let me raise one of the issues that I am pressing. The Minister can respond by saying what involvement he could have in trying to press this issue. If he does not feel that it is within his remit as a Minister to do so, I would like to know why. I am referring to the fact that until we move to the mandatory publication of local rather than regional response times, areas such as Nantwich will still face the dilemma of not knowing what the response times are in their local area and therefore whether the strict targets—they rightly are strict—are being met by the trust. I have already given the example of the failure in the Audlem area by the North West Ambulance Service to meet any of the eight-minute targets for category A calls.

I ask the Minister at least to respond to that point in his reply and to acknowledge that it is an issue that needs to be addressed, whether by him or by the trust, because it is clearly an unacceptable state of affairs. The North West Ambulance Service has let itself down badly, and the people of Nantwich should be congratulated on the strength and determination they have shown over many months in trying to deal with the issue. On many occasions, the wall that we have faced has been very high, and one that has not been willing to move. One of the reasons for being here today and bringing the Minister to the debate is to widen the issue out and bring it to the attention not only of the Department but of the public, so that they are aware of some of the issues being faced in the provision of ambulance services not only in Nantwich but throughout the north-west.

I hope that the Minister will strongly encourage the ambulance service to review how it engages with communities and encourage it to take this opportunity to bring a fresh pair of eyes from outside the organisation into the chief executive's office, in order that all areas in the north-west may maintain a healthy confidence in their ambulance service's ability to save lives and answer individual communities' needs.

I started the debate by welcoming the Minister to his new post and by describing the last 15 months of dealings with the North West Ambulance Service over local ambulance service provision as an ongoing battle. I hope that with his fresh eyes on the issue and his intuition and incisiveness, we may be able to put that battle to rest. I am not asking for a miracle; I am not asking for a silver bullet. I am asking for recognition from the Department represented by the Minister that there is an issue that the trust needs to deal with to ensure that the public's confidence in the service is back where it should be.

These people who serve our community do it out of the goodness of their heart. They have not been paid for it. The proposed new system will mean that they are paid, but I suspect that that is not their motivation. We need a service that ensures that lives are saved wherever possible, and the first responders are there to do that. I hope that the Minister will support that principle and advocate support for the first responders.

4.28 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): I begin by congratulating the hon. Member for Crewe and Nantwich (Mr. Timpson) on securing the debate. I also thank him for welcoming me to my new role. Before addressing in detail some of the concerns

that he has raised, I want to recognise the excellent work that our ambulance staff do, so I shall make some general points before coming to the specifics of the hon. Gentleman's contribution.

Day in, day out, ambulance workers save lives and care for patients, benefiting the people of Crewe and Nantwich and others throughout the country. It is thanks to their dedication and hard work that ambulance service performance has improved. At the end of 2007-08, the NHS ambulance service recorded its highest ever emergency response rate, with 77.1 per cent. of category A—life-threatening—calls receiving a response at the scene of the incident within eight minutes.

That best-ever category A performance was achieved despite increases in demand, with more than 7 million 999 calls being dealt with in that year—almost 1 million more than the year before. That success came despite significant challenges, including the new "call connect" clock start measurement, which affects the amount of time available to respond. The time that an ambulance takes to reach a patient is now measured from when the 999 call connects, which saves an average hidden wait of about 90 seconds, rather than being measured from the point at which the person who received the call passes it on to the ambulance service. That is a good record.

The hon. Gentleman is concerned about community first responders in Cheshire. It is obviously a matter that is raising serious unease among his constituents in Nantwich. CFRs were developed in response to the Government's national framework for coronary heart disease. CFRs are trained in the use of automatic external defibrillators, which are used to treat patients in cardiac arrest. In the north-west, they operate a voluntary rota in groups of eight to 15 and respond to emergency calls in addition to the ambulance service, administering life support to patients while waiting for the ambulance to arrive.

CFRs play an important role in supporting ambulance services and in improving our response to 999 calls in many parts of the country. They are not, however, a substitute for an emergency ambulance response. The North West Ambulance Service NHS Trust is committed to its CFR schemes. Indeed, in April it established three new CFR schemes in Northwich, Winsford and Crewe. I can tell the hon. Gentleman that a pilot co-responders scheme is to be set up in Nantwich in his constituency.

Mr. Timpson: It is obvious that the Minister has been given detailed information about NWAS and its policy on CFRs. He has mentioned co-responders. Will he provide more detail about what skills and training the CFRs will have? Will they be able to use those skills, for instance, to drive on a blue light?

Mr. O'Brien: Co-responder schemes are agreements made between the ambulance service and, in this case, Cheshire fire and rescue service. Firefighters will be trained to use lifesaving skills and will thus be able to respond to patients in the same way as CFRs. However, they will also be trained in other areas, such as casualty management, scene management, risk assessment and advanced driving under blue lights.

I note the point that the hon. Gentleman makes about CFRs being the same as firefighters. I have been told by officials that one CFR was a retained firefighter, not a full-time firefighter, and that he provided a CFR blue light service until 2008. In line with the review undertaken by the trust, that was revoked for reasons of staff, patient and public safety. I am informed that that is how that situation was dealt with.

Mr. Timpson: The Minister has hit on the question at the heart of many discussions over the last 15 months. Will he confirm that the retained firefighter who was a CFR before the blue light was taken away was driving on a blue light under insurance provided through NWAS? Will insurance for the co-respondent scheme be met by the fire and rescue service or the ambulance service?

Mr. O'Brien: I am sorry to say that my valuable briefing does not extend to insurance cover, but I shall ask the trust and let the hon. Gentleman know. That is probably the best way to deal with that question.

It is likely that co-responders will be able to respond to a far wider range of incidents than CFRs. The trust feels that it is a good scheme and that it will give local people a good service. Although the scheme will take some time to be fully implemented, I understand that the pilot scheme in Nantwich is due to start at some point this year, hopefully as soon as August.

NWAS is considering a number of ways to improve its performance across the region, especially in rural areas. One such scheme will provide further training to CFRs, enabling them to be deployed to an increased number of incidents. The volunteers will also be paid for their time. Details of training and the scope of the exercise are being discussed, with a view to a pilot scheme being trialled in Knutsford.

I listened with care to the hon. Gentleman; he made an eloquent case on behalf of his constituents. However, the organisation of services, including CFRs, is not decided by Ministers or civil servants in the Department of Health but by local health care professionals. Organisational changes must be based on medical grounds and what is best for patient care.

To ensure the most effective and appropriate use of CFRs across the north-west, NWAS undertook a review of its services. It is a local health care organisation that consults and engages with local people, considers the arguments, talks to staff and others who are involved and reaches local decisions. It wanted to ensure that CFRs were used in the most appropriate and efficient way to ensure the safety of patients, the public and staff.

The review proposed the standardisation of services across the former ambulance trust areas of Greater Manchester, Cumbria, Mersey and Lancashire. It included the removal of the blue light facility and a review of the level of care that CFRs could and should provide. The proposals were referred to democratically elected councillors on Cheshire's overview and scrutiny committee. That committee set up a task and finish panel to review all issues in detail. The panel reported back to the full committee in October 2008.

The overview and scrutiny committee made a number of recommendations, and NWAS has produced an action plan to address those recommendations. The action plan was shared with the OSC and other stakeholders in January 2008. As a result, a local Cheshire steering group is reviewing the existing Cheshire CFR schemes, and it will explore other opportunities to strengthen ambulance services in the region.

[Mr. Mike O'Brien]

Local ambulance trusts, in consultation with other local emergency services, must decide whether they are happy for CFRs to operate under blue lights. That decision must comply with the Road Vehicle Lighting Regulations 1989, which state that blue lights can be used only by emergency vehicles used for

"fire brigade, ambulance or police purposes".

In Nantwich, one CFR was using blue lights until 2008. That was one of only a small number of instances across the country of a CFR using blue lights. It was relatively rare, and I gather it was stopped because of the way in which that CFR was trained.

A demand for the wider use of blue lights must be treated with a great deal of caution. It is not only a matter of training, because although people can be trained, they also need to use blue lights regularly. They need their skills to be honed; they cannot be trained once and then use the skills intermittently. Ambulance and fire service crew and police officers use blue lights regularly. However, they do so with some risk; as we know from a number of incidents, using blue lights has risks for the public, so blue lights should be used with caution. People who use blue lights must not only be trained; they must be in a position to hone those skills through regular use.

Mr. Timpson: I am grateful to the Minister for being generous in giving way. He has clearly read his brief and has tried to get to grips with as much of the detail as possible.

I do not want to stray into the minutiae, but the matter is extremely important. A CFR may not only have had the training to use a blue light but, as the Minister suggested, he may have honed those skills regularly over many years. Removing that blue light could reduce the number of call-outs to which the CFR responds—I gave the figures from my constituency of 120 in 2007 to 20 in 2009. That will not only reduce the possibility of saving lives, but result in exactly what the Minister does not want: it will prevent that skill from being used when appropriate and make it more difficult to reintroduce it later.

Mr. O'Brien: The hon. Gentleman makes a very sensible point, but misses the key one: it is not a matter of whether Ministers agree, but of whether the local ambulance trust, which has the delegated authority to make these decisions, agrees. I intervened on him earlier to get an idea of what he is looking for from me, as a Minister. I indicated that his party's policy is to make the NHS much more independent of Ministers—to set up an NHS board and to keep it at arm's length from ministerial intervention—and to ensure that Ministers have nothing to do with decisions made by ambulance trusts. We do not share that view on the extent of delegation.

The hon. Member for Eddisbury (Mr. O'Brien), to whom the hon. Gentleman has referred, is an advocate of Conservative Front-Bench policy—after all, he is himself a Conservative party Front-Bench spokesman. However, any of his constituents who intend to support him at the next election, which is a matter for them, must not assume that, if the Conservatives win, there will be a Minister who wants to do something about this situation. Indeed, the opposite will be case: the Conservative party will choose not get involved in any of these matters. We have said that ambulance trusts have to decide whether to allow CFRs to use blue lights—

Mrs. Janet Dean (in the Chair): Order. We must now move on to the next debate.

Grimsby and Cleethorpes Rail Services

4.42 pm

Shona McIsaac (Cleethorpes) (Lab): I am sure that it will be a great pleasure to speak in a debate chaired by you, Mrs. Dean. I welcome my hon. Friend to his new job as a Transport Minister—he now has a speaking role, after some time as a silent participant in the House as a member of the Whips Office. As a Member of Parliament representing an east-coast constituency, I hope he will appreciate the challenges that that geography presents. I realise that his constituency is far closer to the capital than Cleethorpes, but still, anyone on the coast experiences greater transport difficulties.

The issues that I wish to raise relate to passenger rail services. I shall cover short and long-term problems and concerns. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) had hoped to take part in this debate, but he is in the Chamber debating another issue of concern to our constituents—the levying of business rates in ports.

The rail line between Doncaster, and Grimsby and Cleethorpes is due to close on 22 June and will not reopen until 7 September, which means that the First TransPennine Express service between Manchester airport, Sheffield, Doncaster and Cleethorpes will start and terminate at Doncaster and will not serve any stations east of Doncaster, which obviously includes Grimsby and Cleethorpes. That will cut off huge swathes of northern Lincolnshire, including its two main urban areas—Scunthorpe, and, on the coast, Grimsby and Cleethorpes. I am told that the closure is necessary to carry out engineering work at Medge Hall in Thorne Moor near Doncaster. I appreciate that the line is built on peat and that speed restrictions have been in place for some time on that section of the line. I appreciate, therefore, that some remedial work is required.

Why close, however, one of our most popular lines to the coast throughout the school summer holidays? Cleethorpes is by far the easiest coastal resort to reach from places such as Sheffield and Doncaster. In fact, Cleethorpes has been the traditional seaside playground for south Yorkshire for many generations—ever since the railway reached it in 1863. In preparing for this debate, I went back over some of the newspaper records, which made for interesting reading. On 3 August 1863, 10,000 people arrived in the resort by train. One year later, the number had risen to 79,000 ordinary passengers and 72,000 excursion passengers. The number continued to grow in subsequent years, and to this day Cleethorpes remains very much part of summer day trips and holidays for many people in Yorkshire.

In the current recession, it is important that we do not create extra barriers to people trying to reach the resort. The small businesses that typify the tourism industry are dependent on a good summer season and August bank holiday to remain viable. In Cleethorpes, we have fish and chip shops, amusement arcades, donkey rides, candy floss and so on—it is very much a traditional seaside resort. Network Rail hopes that people will accept this "short-term inconvenience". I, and resort businesses, do not think that 11 to 12 weeks is a short-term inconvenience. They feel that this could be "make or break" for their businesses this year.

I simply cannot understand why the work is being carried out at the height of the tourist season, rather that at some other time of the year. Also, I have had no explanation of why there will be no train service between Scunthorpe, and Grimsby and Cleethorpes. These are the two biggest urban areas in northern Lincolnshire. I understand that no repair work is going on along that part of the line, so why can some sort of service not continue to link those two areas? Even at this late stage, I hope that that can be considered.

It is not just the tourism industry that will be affected. People also need to get to work, and moreover, the line will be closed at the start of the football season. Given our geography, many away supporters tend to get the train to Cleethorpes—they alight by the beach, have their fish and chips and then walk along Grimsby road to Blundell Park to watch Grimsby Town. Last season, the club performed an act worthy of Lazarus to remain in the football league, but it seems to add insult to injury that, when the new season starts, away supporters will be unable to get to Cleethorpes by train.

The usual rail replacement bus service will run between Doncaster and Cleethorpes. Mention rail replacement bus services to anybody living in northern Lincolnshire and their reaction will probably be one of hysterical laughter. They are not regarded as particularly reliable, and it takes an age to get to Grimsby and Cleethorpes. People say that they simply will not use it, but will use other modes of transport instead.

I had hoped that it would be possible to retain a link with the east coast main line, perhaps using the Brigg and Gainsborough line, on to which all the freight traffic is being routed. Freight is vital in my area. We have one of the biggest rail freight depots in Britain. All the coal and other heavy goods that are coming into the docks at Immingham tend to go out by rail, as do some of the products from the refineries. I appreciate that it is vital to keep that freight going, but originally I was told that some sort of passenger service may be retained on the line so that people could link in to the east coast main line if they have to go to London. However, I have now been told that there will not be any replacement passenger service on that line.

What is irksome about this long withdrawal of train services is that, just weeks after the line is back in action in September, it will be closed down again in November in order to carry out repair works on the Doughty road railway bridge in Grimsby. When we have such a long shutdown, it makes no sense to leave the repair work on that particular section of the line. Network Rail said that it is because the design and the materials are not yet ready. I am sorry, but this closure has been known about for some time. It is very poor planning not to get all the work done at once. Moreover, the new trains that have been in use on the trans-Pennine route are about to be withdrawn and replaced with 10-year-old rolling stock, which does not bode well for the future.

My hon. Friend the Minister has the luxury of a direct train service to London. In Grimsby and Cleethorpes, we have not had that luxury for some 20 years. Last Wednesday at Prime Minister's questions, I told the House that Able UK had announced a £100 million investment in my constituency, thus creating 5,000 jobs, which is welcome news in the current economic climate. The development site is the largest in northern England, alongside a deep-water port. I hope that the Prime

[Shona McIsaac]

Minister will meet me and other MPs from the area to discuss how we can remove some of the remaining barriers to realising the full potential of our constituencies. One of the remaining barriers is this lack of a direct train service to London. I have been due to meet Ministers to discuss this issue for some months but, like the train services, those meetings keep getting cancelled.

As for the direct line, National Express has come on board after intense lobbying by businesses, MPs and others. It hopes that, by September, it will have the provisional timings for one early morning train to the capital and one evening peak return. Given that the Humber ports are already Britain's most profitable port complex, given that this new development on the South Humber Bank will make the region even more strategically important and given that the area is the base for a lot of the country's leading manufacturing industries, it hardly seems sufficient to provide one return service a day to the capital.

Turning now to the frequency of the service, the nearest station to the port of Immingham is Habrough, yet that station has a very poor service, with few stopping trains. If we are to develop the port area, it makes more sense to increase the frequency of the trains serving the port of Immingham by having more stopping at Habrough station. I am always told that people should use Barnetby station. However, it is not the most successful station because it involves using bridges; Habrough does not. Therefore, we must consider having more trains stopping at Habrough if we are to serve the port.

The other service that we must consider is the one to Humberside airport. At the moment, the line goes just past the airport—there is no station at the actual airport. If we are to have an integrated transport network serving this growing industrial area, we need to consider having a rail service into the airport. At the moment, people can get a train to Manchester airport but not Humberside airport.

I hope that my right hon. Friend—*[Interruption.]* I have just promoted the Minister; I am obviously delighted that he has been promoted out of the Whips Office and I am promoting him even further. If he cannot address fully this afternoon all the issues, I hope that he will meet me and my colleagues at a later date to discuss them in more detail. I do not know whether such a meeting is in his remit, but there are other issues relating to the road network in the area. The A180 needs resurfacing. We need to sort out the dualling of the A160 and to address the issue of Humber bridge tolls. The tolls must be substantially reduced, as has been demonstrated by an in-depth study. That would lead to further economic growth in not just our area but the whole country.

Once again, Mrs. Dean, I appreciate having had the chance to raise these very important issues for my constituents.

4.56 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): It is a pleasure to serve under your chairmanship, Mrs. Dean, on my first outing as a Minister in an Adjournment debate. It is also a pleasure to respond to my hon. Friend the Member for Cleethorpes (Shona McIsaac). In the past, she has told me that her auntie and my mother-in-law used to sit together in deepest Kirkcaldy watching the Parliament channel to see whether they could spot us. Were they both with us now, they would, no doubt, feel that they had had a double hit today.

Shona McIsaac: That is so true, but what my hon. Friend has not said is that they would be sitting in the Prime Minister's constituency.

Chris Mole: Indeed. I congratulate my hon. Friend on securing this debate on what is clearly an important issue for her constituents and their local economy. The Government recognise that seaside towns have a distinctive role to play in regional economies. For its part, the Department for Transport is investing £10 billion in the railways over the next five years to increase capacity and provide better train services. Such improvements are being delivered through new and amended franchise agreements and by infrastructure upgrades being carried out by Network Rail.

Some of the planned improvements will benefit rail travellers to and from Grimsby and Cleethorpes because they will see improved reliability and some new services. Passengers are already benefiting from the major refurbishment of Cleethorpes station undertaken last year, which I understand was unveiled by my hon. Friend last year. Such an improvement is a good example of partners working together to shape the future of this seaside town.

Rail users and businesses are understandably frustrated by line closures, particularly over weekends and at holiday periods, but there is no easy time to carry out major engineering works. Disruption is an unfortunate but sometimes unavoidable consequence of maintenance work, which is essential for the continuing drive to deliver a safer, faster and more reliable rail network. Following decades of under-investment and to cope with increasing passenger and freight traffic growth, the Government are currently taking steps to increase the capacity and reliability of our railway.

In the longer term, passenger and freight operators, business and the tourist industry will feel the benefit. However, we cannot get improvements without occasional blockades of some of the lines. The timing of engineering works is an operational matter for Network Rail within a regime that is overseen by the independent Office of Rail Regulation. Under that regime, the majority of engineering possessions are specifically planned—often up to 18 months in advance.

Over the past two years, a cross-industry review, led by the Office of Rail Regulation, has been examining how best to address the growing mismatch between the increasing demand for travel and the service availability of the rail network. That has produced a new cross-industry consensus and a determination to reduce major disruption arising from engineering works, and, critically, to do so without compromising the safety of passengers and staff. Network Rail is leading the development of a strategy to deliver that, so that within five years, rail users should enjoy a truly seven-day railway service.

My noble Friend the Secretary of State for Transport has already made it clear to Network Rail's chief executive that the current system for planning engineering works does not adequately represent the needs of passengers.

It is also vital that passengers are properly informed of service changes well in advance, so that they can adjust their travel plans.

We recognise that the ORR has set Network Rail a target of reducing the disruption that it causes to passengers through its engineering work by 37 per cent. over the next five years. That is a good start, but we would like to see more done in the short term.

5 pm

Sitting suspended for a Division in the House.

5.10 pm

On resuming—

Chris Mole: I was talking about the Department's efforts to ensure that engineering works reflect passenger needs. My noble Friend the Secretary of State recently convened a meeting of senior figures from across the rail industry, including Network Rail, the Office of Rail Regulation, train operators and Passenger Focus, to discuss possible ways to improve the situation. In particular, we encouraged the industry to give Passenger Focus, the independent national passenger watchdog, a greater role in the process of planning engineering works. We were broadly encouraged by the response that we received from the industry at the meeting. Our priority now is to ensure that all parties in the industry maintain their focus on improving network availability for passengers.

I am grateful to my hon. Friend for this opportunity to explain the engineering works on the Cleethorpes line and what the train operators will be doing to look after passengers and business. Network Rail is to carry out a multi-million pound project this summer to improve the condition of the line between Doncaster and Scunthorpe and, most importantly, to reinstate the 55 mph line speed. The line requires major engineering works to address ground settlement in the Medge Hall area in particular, as my hon. Friend has mentioned, where the track and its substructure are poorly supported by the peat and soft clay beneath. Speed restrictions are as low as 10 mph in some places.

The line will be closed between Doncaster and Scunthorpe for 11 weeks to allow works worth more than £16 million to be completed. I am sure that my hon. Friend will be pleased to hear that in order to minimise disruption, Network Rail will complete several other jobs at the same time, making its total investment in the line about £20 million. I understand entirely why my hon. Friend asked about Doughty road bridge. It would be ideal if the Doughty road works were done at the same time as the blockade, and if that is not possible I will write to her to clarify why.

First TransPennine Express train services will be replaced by direct road services between Cleethorpes, Grimsby, Scunthorpe and Doncaster from Monday 22 June until Sunday 6 September. TransPennine trains will continue to run between Doncaster, Sheffield and Manchester airport.

As I will mention later, there are some parallels with an experience that I had as a constituency MP when the Ipswich tunnel closed for several months a couple of years ago. I encourage my hon. Friend to visit the works while they are going on, as that might provide an incentive for Network Rail to ensure that they are completed in a timely manner.

Shona McIsaac: My hon. Friend has stated that the works are taking place between Doncaster and Scunthorpe. Most of the works are near Thorne, which is closer to Doncaster. He has not mentioned the remaining section of line from Scunthorpe to Grimsby and Cleethorpes. I understand that no works are happening on that section of line, so why can a service not run on that part of the line, so people can at least get from Grimsby to Scunthorpe?

Chris Mole: I was coming to that point, but I will deal with it now. TransPennine Express considered a shuttle service, but unfortunately it is not practical, as the rolling stock would be trapped and unable to return to its Manchester depot for the necessary regular central servicing and safety checks.

On the timing of the blockade, the work has to be done at this time of year, because aside from being an important passenger route to and from Cleethorpes and Grimsby, the line between Immingham and Doncaster via Scunthorpe is a vital—to use my hon. Friend's word—freight traffic artery, particularly for coal, iron ore and steel. Network Rail's decision to select the period between late June and early September for the closure of the line was dictated primarily by the lack of capacity on alternative routes for the freight traffic.

During autumn, winter and spring, there are high levels of coal traffic to power stations. For that reason, it was necessary to select a period during the summer, when loadings to power stations were less and reduced traffic levels could be accommodated on the alternative route. The summer also offers advantages for construction works and replacement passenger road services because of longer daylight hours and generally better weather conditions. Although leisure travel to Cleethorpes over the summer months increases, demand from schools and colleges and for work purposes decreases.

In timing the closure, Network Rail has had to balance the requirement to transport passengers against the requirement to maintain sufficient deliveries of coal to power stations and support the workings of Immingham, which I am sure that my hon. Friend will recognise is vital to the local economy. The engineering work will solve a long-standing problem and allow trains to run more quickly, improving long-term punctuality, reliability and the overall attractiveness of the service. TransPennine plans to work alongside local businesses and organisations to encourage more passengers to use the trains after the line is restored. In the meantime, promotional rail tickets, including discounted entry to Pleasure Island at Cleethorpes, will still be available during the works.

On the question of alternative routes, there is little opportunity to accommodate additional passenger trains on the alternative route via Brigg, as most of the spare capacity on that route will be taken by freight trains. That option was explored fully by TransPennine, but it was not possible to hire additional drivers from freight operating companies who had knowledge of the alternative route. Also, running via Brigg would take the trains to Sheffield but omit a call at Doncaster, which would affect passengers making journeys on that busy section of the network.

Shona McIsaac: On the drivers, my understanding is that TransPennine would not pay the rate, not that drivers were not available.

Chris Mole: I will have to make further inquiries and come back to my hon. Friend on that point in writing.

On replacement coach services and how customers will be handled, the detailed timings and calling points for the alternative coach services and connection times at Doncaster are available at stations, via online journey planners and from National Rail Enquiries. Informative posters looking something like this one are also being displayed at stations, and opportunities have been taken to circulate information to passengers in advance of the start of the work. That has included working with North East Lincolnshire council and providing information through tourist offices. Staff will be on hand at stations to assist passengers using the road service, and signage will be placed at stations to indicate pick-up points. I am sure that my hon. Friend will be pleased to hear that all coaches will have toilets on board. From my own experience a couple of years ago, I know that the information process is critical. If everyone is aware of what is happening, it helps the alternative arrangements operate much more smoothly and perhaps without some of the anticipated concerns.

My hon. Friend asked about the new trains that her constituency currently enjoys. The TransPennine franchise serving Cleethorpes has one of the newest fleets in the country, consisting of 51 brand-new units and seven five-year-old refurbished trains. That modern rolling stock is committed until the end of the franchise in 2012.

My hon. Friend discussed through-route services to London. The east coast main line passenger timetable will be improved in December 2010, with more trains and reduced journey times, delivering on a commitment made by National Express East Coast as part of its franchise agreement with the Department for Transport. The new timetable will include one direct service every two hours between King's Cross and Lincoln, giving Lincoln direct services to London for the first time in many years. National Express East Coast and Network Rail are examining the case for extending some services to provide a direct link between Cleethorpes, Grimsby and London via Lincoln. That would be a commercial initiative by National Express.

The provisional timetable, which is not yet finalised, will contain a morning service to London and an evening service returning from London. The timing of those services will be particularly attractive to business travellers. The December 2010 east coast main line timetable will deliver other benefits for rail travellers from Grimsby and Cleethorpes. A standard repeating pattern of services will be adopted with trains running at the same times in each hour throughout the day. That will introduce a regular hourly connection at Doncaster for Grimsby and Cleethorpes with a standard connection time of 15 minutes. Present journey times will be maintained and passengers will be able to plan their journeys more easily in the knowledge that regular connections are available.

My hon. Friend raised a few issues about the road network at the end of her speech. If she was referring to trunk roads, they fall within my responsibilities, and I would be delighted to hear from her about those issues in due course.

In conclusion, I look forward to the completion of the engineering work that will allow trains to run more quickly and improve the long-term punctuality, reliability and overall attractiveness of the service to Cleethorpes. I commend my hon. Friend's work in promoting the prosperity and future of Cleethorpes and the surrounding area.

Question put and agreed to.

5.21 pm

Sitting adjourned.

Westminster Hall

Thursday 18 June 2009

[JOHN BERCOW *in the Chair*]

Personal Carbon Trading

[Relevant documents: Fifth Report from the Environmental Audit Committee, Session 2007-08, HC 565, and the Government's response, Session 2007-08, HC 1125.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Joan Ruddock.)*

2.30 pm

Mr. Tim Yeo (South Suffolk) (Con): I welcome you, Mr. Bercow, to the Chair this afternoon. This is possibly the last time that you will chair a debate in Westminster Hall if you are called to higher things on Monday. As I have informed you, my vote in the first round is pledged to another hon. Member. However, your performance in the Chair this afternoon might sway a few floating voters to switch in your direction, so this could be a sort of hustings for the Chair.

I also welcome the Minister and the shadow Minister. We look forward to hearing from both of them. I particularly want to thank my three colleagues from the Committee for their participation and support this afternoon. They are three of the most conscientious and hard-working members of the Committee. Between the four of us, we carry quite a heavy load, as a number of Committee members have not been seen for some years. Unfortunately, my request for the Committee to be reduced in size was rejected by the Leader of House last year.

I am delighted to have secured this debate. It is a very important subject and one that needs to be more widely debated. It is a year since we published the report under discussion, and it is seven months since the Government published their response. During that year—even during those seven months—the scientific evidence has shown that the challenge that the world faces from climate change is bigger and more urgent than we previously understood. Despite many commendable initiatives, no country—not even Britain—can claim to be anywhere near being on track for the scale of greenhouse gas emission reductions that are needed. It is a chilling reflection that no country has ever achieved a sustained fall in greenhouse gas emissions except at a time of severe recession or de-industrialisation on the scale seen in the former Soviet Union in the early 1990s.

It is equally clear that in the next decade, every developed country in the world must start doing what no country has ever done, which proves just what a dramatic change of pace and scale in our response to climate change is needed. If global emissions do not peak by 2020, the scale of the cuts needed thereafter to keep the rise in average global temperatures anywhere near 2° C would involve a cost and a disruption that would be painful and expensive for every section of the community.

So, whatever we are doing now by way of generating low-carbon electricity, constructing more energy-efficient buildings, developing low-emission vehicles and so on, it is nowhere near enough. Investment in renewable energy, tax breaks for greener cars, and building zero-carbon homes are all needed and, to a greater or lesser extent, are being encouraged through policy and regulation. However, much more still needs to be done by Government, and by business, which has shown itself to be increasingly forward looking in its response to the challenge and in its ability to see the opportunities and threats for its business models. That is particularly true in the United States where business until very recently has been well ahead of policy makers. However, this is not just a matter for Government and business. Every single citizen as a consumer needs to be directly engaged in the battle against climate change. That is why personal carbon trading deserves far more attention than it is getting, either from the Government or from other people.

Personal carbon trading offers three unique advantages compared with carbon taxes. First, it can guarantee that a specific level of emissions is achieved in a way that carbon taxes cannot. No one can be sure of the elasticity of the response of consumers to carbon taxes. We have seen in many areas remarkably inelastic responses to carbon taxes. Secondly, personal carbon trading can, and should, be progressive and not regressive in its impact on low-income individuals and households—unlike carbon taxes, which are nearly all somewhat regressive. Thirdly, personal carbon trading allows individual discretion about how much effort people make to cut their carbon footprint and in which direction they make that effort. That is a further attractive characteristic that is not possessed so directly by carbon taxes. Of course, there are some downsides to personal carbon trading, and I am sure that we will hear more about those from the Minister. The Government's response is peppered with them, and I shall deal with them presently.

The scheme is potentially very complicated, which makes it hard to understand, particularly for people who are not used to the concept of financial trading. There is a danger that unless the scheme is very sensitively introduced and formulated, it could be somewhat arbitrary and even unfair in its impact.

The Committee's report sets out why we believe that personal carbon trading is both an excellent way to raise the profile of climate change and related issues and a powerful incentive for individuals to make low-carbon choices in their daily lives. Against the background of an increasingly urgent and grave threat from climate change, our report concluded that more radical measures are needed if individuals and households are to contribute meaningfully to the meeting of UK emission reduction targets. Without their contribution, Britain will struggle to reach those targets.

The Committee judged that personal carbon trading has the potential to be more engaging, effective and progressive than most green taxes. I mentioned the point about the impact being progressive rather than regressive, but personal carbon trading also offers a real benefit to individuals and families who earn modest incomes, live in average-size homes, do not have air conditioning or heated swimming pools, and who are prepared to wear a sweater in the winter rather than just turning up the heating. Such people could receive a cash benefit if the system was properly designed.

Personal carbon trading can make a big contribution by helping Britain to cut its emissions. However, I accept that the system is complex and difficult to understand. For that reason, the mere existence of a

[Mr. Tim Yeo]

wider public debate is in itself quite useful, enabling people to talk and think about it more, so that gradually they may come to understand it more clearly and easily. I assume that the principles of carbon trading are understood by everyone present and I think that they will be understood by most people who take the trouble to read the report of this debate, so, I will not weary hon. Members with a great detailed account of how personal carbon trading works. We explored that in the evidence we took and in the report itself.

What I want to do instead is depart slightly from the recommendations of the Committee by making a plea for a pilot scheme. We were somewhat cautious in our assessment of the merits of such a scheme. In the year since we published the report, I have concluded that we will never win the argument just on some abstract, intellectual basis. We have to have some practical evidence of how a scheme will work if we are to win more support for it. My proposal is for a pilot that is quite limited in scope. Its results could be analysed and tested for the fairness and effectiveness criteria, which are very important. That is the only way we will overcome the objections that are raised when personal carbon trading is advocated. I have to say that, regrettably, the opponents appear to include the authors of the Government's response.

To minimise resistance and objections further, the pilot could be carried out on a virtual basis. It does not even require any cash to change hands—cash trading or transactions do not have to be involved at all. A virtual pilot would have nearly all the merits of an actual pilot. Let us suppose that the scope of the pilot was confined solely to the emissions from the energy consumed in individual households for heating, lighting, cooking, cooling and so on. That would be quite simple to measure, because such energy is almost entirely derived from electricity, gas, oil and coal supplied directly to houses.

Let us further propose that the pilot took place in a very limited geographical area. I would like to volunteer for this purpose the Babergh district council area in my constituency. There are 83,000 residents in the district, just under 70,000 of whom are voters. I am glad to say that at each of the last six elections, they have returned a Conservative—me. There are just under 35,000 households, so the area is large enough to offer a meaningful reflection of what might happen if the scheme were introduced nationally, but small enough to operate an experiment very cheaply. The results of an experiment of that size could be analysed accurately, and we could gain very important data as a result.

Such an experiment would establish much more clearly than any theoretical argument whether the objections to personal carbon trading are valid. It would also establish whether the advantages are what supporters of personal carbon trading like me claim. I am quite willing to be judged on the evidence. Even in their response, the Government acknowledged that they would welcome more research—they did not show much enthusiasm for commissioning or even encouraging it, but they said that they would welcome the results. I believe that the concept would stand the test and that the experiment would show that the benefits that we claim would be borne out in practice. If we go down that route, it would be possible to overcome some of the more alarmist objections.

To get the pilot scheme going, I suggest that we measure the actual emissions in the households that form the experimental area. That would give us valuable base data, and total emissions in the area could then be averaged out. Individual allowances would be broadly equal, but some would have to be adjusted: there would be weightings for age, and disability, and perhaps weightings based on the kind of home in which those individuals live. We could experiment with the details. If the pilot was for a limited period—say three years—year one could have a cap at the existing level of emissions, so there would be no attempt to impose an immediate cut in emissions, and years two and three could have progressive, tapering cuts, so we could achieve a guaranteed reduction in the emissions from the households in the Babergh district.

If the scheme were sponsored by a private sector sponsor—I am sure it is possible to find one—we might find that there is no cost to the central or local taxpayer. The cost of establishing an electronic trading exchange for such a limited number of people would be quite modest, given the low cost of most IT schemes now. Every individual participating in the scheme would know the amount of their allocation before the start of the experiment, and the total for the district would also be known. Each individual, however, even if the district had an allocation that was the equivalent of existing emissions, would have an incentive to start reducing their own footprint straight away to make the cash gain or virtual cash gain that would be available to them. It would therefore engage the interest and attention of a great many people, particularly younger people and those who are keen on using the internet. There could be rewards for people who take part in the experiment. It might be difficult to entice some people into the scheme, but others could be given an incentive, whether financial or otherwise.

Such a pilot scheme would be *fair*—it would not be threatening to people who found it hard to understand—and interesting for people who want to take part. A further advantage would be that the operation of the scheme could be monitored externally as we go along. The awareness of climate change among the participants—even the reluctant ones—could be measured and there could be data on advances during the scheme and afterwards. In the same way, the extent to which the scheme achieves behavioural change could be measured. We could establish whether and how the participants began to cut their own emissions in the period.

Similarly, the financial impact of the scheme could be measured. Would the scheme be progressive in the way that I claim? I believe that it would, but we could monitor that and show whether and how people made money; who made money; and why they did the things that made them money. It would also, of course, show who were the losers. We could monitor the understanding of the scheme. We could test in advance how hard people found it to understand and whether its progressive introduction gave people a better understanding—we could learn whether people comprehended what was happening more clearly as the pilot progressed. As the cap tightened, it would be possible to show whether

the emissions from the district were being reduced. No form or level of carbon tax can guarantee that outcome, as I said.

The merits of such a pilot are considerable. We set out in our report three criteria for overcoming opposition to personal carbon trading. We judged that to overcome that opposition, the public must first be convinced that emissions have to be reduced. I hope the scientific evidence is gradually helping to achieve that aim, but we may be able to do other things to convince people. Secondly, the public must be convinced that individuals must take some responsibility for cutting their emissions. A pilot scheme of the sort that I advocate would remind everyone that they have the opportunity to take that responsibility if they wish to do so, and many people respond well when they are given such an opportunity. Thirdly, we judged that the public have to be convinced that personal carbon trading is fairer and more effective than raising taxes. I believe that the effectiveness of personal carbon trading is clear, because specific emissions cuts could be guaranteed, but its fairness needs to be proved, which is the purpose of the pilot.

The pilot scheme would also allow us to observe movements in price. There have been concerns that the price might spike or slump, which would make the scheme harder to operate and upset the participants. The pilot would allow us to judge whether that would happen. A pilot that involves 83,000 people is big enough to provide convincing data in that regard. There could be other problems. Would the cap need to be increased in the event of an extremely cold winter? There could be a pre-determined formula for that. If the temperatures were substantially below the norm for a certain time of year, additional allowances could be fed into the market. That may sound complex, but with modern technology, it does not need to be. In any case, the purpose of the experiment is to try to iron out such difficulties.

We acknowledge in our report that smart metering is very important and that it can play a big part in helping people to understand how such a scheme would work, and enable individuals and households to track their performance. The pilot would also tell us whether it is possible to engage the interest, understanding and participation of those people in the community who are normally financially excluded—households who do not participate in normal financial mechanisms. I believe that anyone who uses a supermarket loyalty card would have no difficulty grasping how to engage in personal carbon trading, but the proposed experiment would enable us to judge that. I am not suggesting that this is the only way forward. It is one way, but other forms of experiment could be conducted, perhaps even simultaneously in different parts of the country. However, I am certain that simply arguing in the abstract about personal carbon trading is not going to take us very much further.

Let me turn to the Government's response to our report. I am normally very generous in my comments on Government responses, never more so than when we are coming up to an election, because I am a passionate believer in a bipartisan approach to dealing with climate change. However, I was disappointed with this document. It suggested that the minds of the authors—I am sure that the Minister had nothing to do with writing it—and the minds of some of the civil servants, with whom the Committee had some private exchanges later in the year, are not as open as they should be. That was particularly disappointing, because the former Environment, Food and Rural Affairs Secretary, the right hon. Member for South Shields (David Miliband), who had responsibility for such things before the Department of Energy and Climate Change was created, was quite enthusiastic, at least in his intellectual engagement with the subject. Now caution seems to prevail—caution to the point of hostility and even defeatism—in the face of the arguments.

The Government's response acknowledges that home energy use accounts for a substantial part of Britain's carbon emissions. It is apparent that despite some commendable initiatives, the scope for more energy efficiency, behavioural change and so on to cut emissions remains considerable and largely untapped. It seems likely to me that the potential for big step changes in the energy efficiency that households want to achieve will be realised only if we introduce much more radical measures to incentivise it.

The Government's response also claims that public support for personal carbon trading is "limited", but that has been the case with all sorts of desirable changes that have taken place. Ten years ago, public support for banning smoking in public houses would have been limited. That does not mean that it was the wrong thing to do; it was an opportunity for leadership. Going back further, before seat belts in cars were compulsory—I am probably the only person present who is old enough to remember that—support for that measure was decidedly limited in the 1950s, just as support was fairly limited for the breathalyser. All those changes needed leadership from the Government. To run away from an idea because support for it is limited seems an unsatisfactory justification.

The response says that there is

"little evidence that people would be likely to trade".

That is hardly surprising, as they have absolutely no opportunity to trade at the moment. How could there be evidence of large numbers of people wanting to trade, as there is no chance to do so and understanding of the issue is limited in the absence of any scheme under way?

The response says that

"an effective carbon trading system relies on participants actually taking part in trading allowances".

I am confident that an experiment with only 83,000 people—they would participate and trade—would be large enough to make an active market. The response also mutters about foreign visitors, but that would not be an issue for a pilot scheme along the lines that I have proposed.

The response alleges that personal carbon trading

"would effectively be an expensive and complicated form of tax".

I invite the Minister to agree that that statement is simply ridiculous. It is not a tax, because there is no compulsion to pay it. It can be avoided totally, it raises no revenue and it offers the prospect of a cash reward. None of those things could be described as the characteristics of an expensive or complicated form of tax.

The response states:

"There is very little evidence to suggest that it could indeed encourage energy saving behaviours."

[Mr. Tim Yeo]

Again, that is a pretty silly allegation. Unlike a tax, it could guarantee energy-saving behaviours. It would remind everyone of the advantages of energy-saving behaviour every time they switched on a light in their home. The response goes on to say that:

"until further evidence exists, it is not possible to determine the extent to which a measure such as personal carbon trading could drive energy saving behaviours."

A pilot scheme along the lines that I have proposed would gather exactly that evidence.

The response refers to the "significant costs" of a scheme, suggesting that it would cost £2 billion to set up and £2 billion a year to run. Those are figures plucked out of the air, without any reference to the type of scheme that might be introduced. It is a frankly nonsensical objection that does the Government little credit.

The response refers to recommendation 4 of the report and seems to assume that individuals would have a nil allocation of allowances. It is not clear, but that appears to be the assumption at the top of page 6. I have argued strongly for the EU emissions trading scheme to move as fast as possible to 100 per cent. auctioning, but I do not envisage at all a system of personal carbon trading involving any kind of auctioning. Free allocations would be given, just as people receive a free income tax allowance. It would be quite possible for people to live within the scheme without having to buy allowances at all. If they stayed at or below their free allowances, they would not be involved in buying allowances. They would, of course, have something that they could sell if they wanted to, but they would not be forced to go out and make purchases.

The response says:

"A substantial minority of adults in the UK…do not possess any form of bank account".

That is scraping the bottom of the barrel in terms of objections. The fact that 2 million adults do not have bank accounts did not inhibit the Government from trying to prevent pensioners from continuing to draw their pensions in cash at local post offices. If that vulnerable group of people can be treated in such a way, it seems a pretty poor argument for not introducing personal carbon trading.

The Government's arguments against a pilot scheme are also particularly weak. The response says at the bottom of page 21:

"Even then, there are risks to testing in public as pilot systems are inevitably unrefined and likely to have faults, which could lead to failure and subsequent public distrust and ridicule."

That is precisely the purpose of having pilot schemes: to understand how to avoid public distrust and ridicule. It continues:

"Furthermore, a pilot would not be able to test the mandatory and national nature of a scheme, therefore making it unrepresentative of the real world".

A scheme involving a whole local authority area would be reasonably representative, although nothing can be perfectly representative. It could be mandatory within the area, even on a virtual basis. It is not difficult to get around that particular objection.

I look forward to the Minister's response. I do not expect that we will hear all the answers this afternoon, but I would like her to show willingness to become more engaged in the debate about personal carbon trading than last year's written response suggests. Instead of raising objections at every turn, many of which are rather weak, as I have pointed out, the Government should try a touch of the "Yes we can" approach. Let us look for a constructive aspect to the proposals.

I have accepted that personal carbon trading is complex and poorly understood. It might even be slightly scary for some people. I also accept that achieving the aims of fairness, effectiveness and simplicity may be much harder than I have hitherto believed, but surely there can be no reason not to work towards an experiment and to try out one more weapon in the fight to cut emissions. There can be no reason to oppose a modest little pilot scheme of the sort that I have outlined.

Climate change is a bigger and more urgent threat than we understood even a year or two ago. Even in Britain, where the issues are better understood and accepted than in most other countries, we are not yet doing enough to cut our emissions. It would be a tragedy if closed bureaucratic minds ruled out an innovative and possibly highly effective idea that could raise awareness of climate change, reward poorer people with cash and incentivise every citizen every day to make a low-carbon rather than high-carbon choice, and which could guarantee cuts in greenhouse gas emissions. The effectiveness of the idea in reaching all those goals could be accurately and easily monitored. For that reason, I commend the Committee's report to the House.

2.58 pm

Joan Walley (Stoke-on-Trent, North) (Lab): I echo the comments of my friend the hon. Member for South Suffolk (Mr. Yeo). I say "my friend" because the Environmental Audit Committee—at least, the four of us members who are here—worked closely together on the issues and ensured that we secured the debate. I congratulate him on the detail in which he has covered our Committee's recommendations.

It is good to see you in the Chair, Mr. Bercow. Having attended previous debates in Westminster Hall where a large number of people have wanted to speak, I am always impressed by how you ensure that every hon. Member who wants to contribute does so in a way that takes the debate forward.

As we consider how our Parliament will develop in future—it is a key time for Parliament, as we are in the process of choosing a new Speaker—many of us want the whole concept of Parliament to be expanded further. Select Committees of the House of Commons, in this case the Environmental Audit Committee, exist to scrutinise the work of different Departments in a cross-cutting way. It is incumbent on the Government, if they are to listen to the work of Select Committees, to take seriously the detailed work that we do and give proper regard to our recommendations.

I ask my good friend the Minister to look in detail at the work we have done on personal carbon trading. As we are considering the new role that Parliament should have, she should think about the time that we have spent analysing the issue, week in, week out, in far more detail than any Minister could. In the new spirit of openness, will she consider how she can work with us to take forward our recommendations, which, if not rejected in the Government's written response, were certainly not given the priority that we think they deserve?

In characteristic style, the Select Committee Chairman has covered the details of the report. This is one of many reports that we have produced, in which we have concentrated on the challenges of global warming and climate change. We have looked at the detailed negotiations in the run-up to the Copenhagen summit and beyond. We are about to produce a report on the international work that must be done on the deforestation of the rain forests. We have also looked in great detail at the European emissions trading scheme and at carbon budgets. We understand that this agenda must be taken forward within the wider context of joined-up policy making, and our reports reflect that. I hope that because of the integrity with which we present this report to the House, the Government will accept our recommendations as part of the larger framework.

This detailed report deals with just the one aspect of personal carbon allowances. We do not see it as the be all and end all in tackling the increase in carbon emissions internationally and globally. However, we do think that it is part of the picture. It is a matter of great dismay that our recommendations have been rejected to the extent that they have. We see them not as the exclusive answer, but as part of the solution. I expected our Government to take our recommendations in the spirit in which they were made and not to dismiss them almost wholly.

The timing for this debate could not have been better. There has just been a statement in the House on the Government's five-point carbon action plan and the Met Office's UK climate projections for 2009 have been announced. If ever we have had a sense of the priorities for this country, it is now. Apart from MPs and Parliament and the economic recovery from the recession, the one issue that we should all focus on now—as I know the Minister does—is how to deal with climate change.

If citizens across the UK, with whom we need to engage far more, were all familiar with the climate projections, they would expect Parliament to take action now. For our children and grandchildren, those will be not just abstract projections, but something with which they and future generations have to live. Our recommendations that the Government have rejected might not be the whole answer, but they could be part of it. We must get across to the people of this country the urgency of this issue. We cannot wait for academic answers, but must take action now.

Our recommendations on personal carbon trading for individuals and households tick all the boxes. If we could get that scheme going, it might make the other areas in which the Government want to take action more politically acceptable. For example, they might be able to get greater support for the urgent decisions that must be taken in the Copenhagen negotiations, for home insulation and for changing the behaviour of businesses and others. It is all very well having academic arguments, but we must have arguments that apply to people's lives and to how they go about their daily business. Personal carbon trading is an idea whose time has come.

I listened carefully to the Select Committee Chairman's remarks about the pilot project. We should consider how the Government introduced pilots for education maintenance allowances. There was a sense that something had to be done about keeping 16 to 18-year-olds in college to get their qualifications. There was not just one pilot in one area with certain guidelines, but many pilots were held in different parts of the country where different ideas could be experimented with and developed. There could be four pilot projects for our recommendations. We have representatives present from Scotland, Yorkshire, East Anglia and, of course, Stoke-on-Trent. We could devise an experimental method to see whether these ideas work over a limited period so that we can move the debate on.

I know that many hon. Members wish to speak. I was going to go through the details of our report, but as time is pressing that might not be the best use of my time. However, I hope that our constituents who are following this debate in detail feel encouraged to read the report and the Government response in full.

Finally, I wish to return to the issue of time. There have been various reports from Government. The Commission on Environmental Markets and Economic Performance report, which looked at how economic performance could be linked to environmental markets and green technologies, was introduced as a solution. It was presented in 2007 with great fanfare and the support of the commissioners who were involved in writing it. The commission was led by the then Secretaries of State for Trade and Industry and for Environment, Food and Rural Affairs and the report was very detailed. However, in the two years since, there has been little direct action on the ground, although there is an initiative to look at how green technologies can be developed more quickly.

I am afraid that in two years' time the Select Committee report will be gathering dust and will not have produced the impetus that is needed to meet the global challenges of climate change. I know that the Minister works in a committed team, including the Secretary of State and the newly appointed Under-Secretary. I hope that in the midst of the five-point carbon plan and the run-up to Copenhagen, the Government do not just dismiss this report out of hand. Although this is only one of many reports produced by our influential Select Committee, the Government should work with us to establish a scheme slowly that could later be expanded.

3.9 pm

Colin Challen (Morley and Rothwell) (Lab): Like others, I want to express my best wishes to you for Monday, Mr. Bercow. I certainly hope—I will be quite blunt—that you are successful.

I congratulate our Chairman, the hon. Member for South Suffolk (Mr. Yeo), on his comprehensive analysis of our report and the Government's response. I will do my best not to repeat any of the points that he made, although they are eminently repeatable. I look forward to 3 June 2010, which is the last possible date for a general election, because his constituents will have had the chance by then to analyse the consequences of his pilot programme. I will be waiting to see whether he wins a seventh endorsement for his stance.

Today is important because we have seen the publication of the climate change projections report, which I have here. It is also 20 days short of the fifth anniversary of the publication of my Domestic Tradable Quotas (Carbon Emissions) Bill, which dealt with personal carbon allowances and tradable energy quotas. I am pleased to be able to acknowledge the presence in the Public

[Colin Challen]

Gallery of David Fleming, who had a great hand in developing those ideas. It has been a long process. When I launched my ten-minute Bill, I thought that it might take the Government five years to take the idea seriously, but here we are, 20 days short of five years, and they are still not taking it seriously. They did for a while, but then the enthusiasm slipped away in a sea of timidity and out of a fear of the possible electoral consequences. The pilot project would therefore be welcome.

I will refer to this later, but I have just put in a Presentation Bill to put climate change health warnings on car advertising, in the same way that we put health warnings on tobacco. The aim is to influence people's behaviour and to promote a better understanding of carbon in people's lives and consumption. Why can advertisers use six or eight-point type to bury details about the amount of carbon that their products emit? Many of them—unless they are particularly proud of their cars' green credentials—provide no explanation. We must start educating people, and that is where the Government need to do a lot more work.

We should look at the projections in today's report to remind ourselves how precarious the situation is. One of the tables, which is taken from the intergovernmental panel on climate change's fourth assessment report of 2008, shows that, on a high-emissions scenario, we will be heading for a 5.5 or 6° C increase. On a medium scenario, it will be 4° C. On a low scenario, it will be just under 3° C. Of course, we want to get to no more than 2° C, which, according to the IPCC, will require far more effort than will be needed to achieve the lowest of its emissions scenarios. That is a tremendous amount of effort, and the evidence from the negotiations, which took place in Bonn a few days ago, and which will continue up to Copenhagen, is that we will not get there—we will not reach the black line on the graph in today's report.

The evidence that the Committee gathered in Washington a few weeks ago suggests that the American targets will be weakened to get a Bill through Congress. In fact, the target for emissions cuts by 2020—the all-important interim target—has come down from 20 to 17 per cent. A lot of people may not realise that that target is based on a 2005 baseline, not the 1990 baseline that our targets are based on. The American targets will include different sectors from ours, but ambition of even the most ambitious Bill that has a chance of success in Congress is well below current European objectives.

The signals from Bonn over the past few days are that the developing world is extremely unhappy about the extra commitment that we say we will make. We must make greater commitments, and they should go well beyond even what our carbon budgets say should happen. We need a successful and sufficient agreement, and the word "sufficient" is more important than the word "successful", which can be a political minefield. If the agreement is sufficient, the EU and the UK will increase their targets according to the Climate Change Committee's recommendations, but that is still a long way off. The science is saying that things are serious, but the political situation is even more dire.

We also have to look at the UK contribution. Most people say—Ministers often say this—that the UK is responsible for 2 per cent. of global emissions, which is true. Last year, however, the pocket environment guide produced by the Department for Environment, Food and Rural Affairs—I would recommend it as holiday reading to anybody going on their holidays, although not, of course, by air—showed that emissions related to UK consumption accounted for well above 15 per cent. of the global total. If we think about it, how could we claim to be the fifth or sixth biggest economy in the world with only 2 per cent. of greenhouse gas emissions? That simply does not stack up.

That raises an important question about responsibility. We have to put it to people that their consumption is at the root of the problem—the problem does not start somewhere else. A Chinese coal-fired power station is part of a supply chain. I was thinking about this problem on the way back from last year's climate change camp at Kingsnorth, which I visited with one or two other hon. Members. E.ON wants to build a new power station—originally, it wanted to build it without carbon capture and storage—so it becomes the enemy and the target of a great deal of campaigning. As I went back through the suburbs of east London on the train, however, I thought, "Here's the real target. It's all those kettles that get switched on. It's those big flat-screen TVs." When we campaign against climate change, our focus is on the big power producers, and there is a lot of credit in that approach, but the simple fact is that we tend to forget that it is individuals who demand electricity and the other forms of energy that they need for a comfortable lifestyle.

We have to address those people. If we do not, the power stations will still be built, including many of those in China, which produce the energy needed to make our cheap goods. Those Chinese power stations will continue to be built without CCS and will continue to create a problem. The Chinese are now using this issue as an argument. They say, "Why should we have to take the whole bitter pill when you lot created the problem and your consumption feeds our growth?" That is a powerful argument, and one which we would begin to address if we introduced personal carbon trading.

It has been said that such a scheme is very complex, but I simply do not believe that. If the people who invented supermarket reward cards had had somebody whispering in their ears, "It's a complex scheme. Don't do it," we would not have Nectar cards at Sainsbury or Clubcards at Tesco. The carbon allowances scheme would be relatively simple, and it would be extremely condescending to say that a lot of people could not understand it. Indeed, it would be extremely simple; in some cases, people would not even be terribly conscious of it, because much of the hard work would be done by the utilities' computers.

Let us compare the scheme with what we have now. I hope that nobody would argue that what we have now is simple and something that the public can understand. I would like to do a straw poll in Parliament square to see whether people understand the emissions trading scheme or know how much it saved last year in terms of carbon emissions. I would like to ask them what the renewables obligation and carbon emissions reduction targets are. The Government are creating more and more measures to deal with climate change, and I welcome them in so far as they go, but they are not sufficient and they do not address the real problem of our consumer society

and our pursuit of greater gross domestic product per capita, which is, of course, expressed in terms of growth. There is a serious question to ask about whether the scheme would be more or less complex than all our upstream schemes, which are opaque, remote and mean nothing to the public.

If people knew what these things were—if they read the Committee's reports more often, they probably would—they would know that the National Audit Office has suggested that the third phase of the EU ETS, including carbon trading, may deliver a domestic effort resulting in only a 7 per cent. reduction in carbon emissions. If people thought that they were paying all that extra in their bills just to get 7 per cent., they might be quite nonplussed. We have to be careful when we say that the scheme would be so complex that we could not possibly introduce it.

I have also sat for the past two and a half years on the Green Fiscal Commission, which looks at taxation issues. After two and half years I do not think that we are any closer to a simple way of addressing environmental taxation. That is a problem with taxation approaches: every time someone mentions the environment to a constituent, the next thought to pop into their head is "How much is that going to cost me?" The environment gets a bad name when everything that happens in connection to it is a new tax or a new cost.

We must go to the public and engage with them. We require a scheme that, as the Select Committee Chairman has said, is very progressive—the opposite of income tax and many other taxes. That would simplify our approach enormously. We now need to rest, permanently, the approach that has dominated the Government's thinking when they have gone directly to the public—the voluntary approach. We have a number of quite good educational tools, the most of important of which is the Act On CO_2 website. Last June the Minister was pleased to announce that there had been more than 1 million hits on the site since it was launched in the previous year. I do not know whether that number has doubled. Perhaps the Minister will tell us, on the first anniversary of that announcement, that there have now been 2 million hits. Deeper analysis, however, suggests that only half the people who went to the website did the calculation of their footprint, and only half of those did anything about it. The voluntary approach that leads to 1.2 million hits in a year has led, according to the Government's analysis, to only 250,000 people doing something about it.

Gregory Barker (Bexhill and Battle) (Con): In defence of the Government I would say that although 1.2 million hits is not nearly enough to transform the country's attitude to carbon footprints, the translation of that figure to 250,000 personal actions and decisions is actually rather good.

Colin Challen: When the hon. Gentleman makes statements like that I can see that he is preparing for government. Yes, it is good if one person does something that they would not have done before, but those 250,000 might well have been people who were already prepared to do something. Preaching to the converted is not the answer; going well beyond that is the answer. The adult population is 60 million. If 250,000 people do something, out of 60 million, well—doing the maths myself it comes out at something like a quarter of 1.6 per cent. I may be wrong about that; I am not terribly good on that sort of thing, but the figure is still extraordinarily low.

That is borne out by polling evidence. The most recent Ipsos MORI monthly tracker of public opinion was probably sent to all MPs electronically a few weeks ago. People were asked:

> "What would you say is the most important issue facing Britain today?"

I had to look well down the list to find anything to do with climate change, which was chosen by about 4 per cent. I can understand why 39 per cent. said it was the economic situation. The next biggest block, at 12 per cent., was race relations and immigration. The people who were interested in environment or pollution and mentioned it as their first concern were 3 per cent. of the public. Even when people were asked another question about what they saw as "other important issues", which gave them a bit of extra choice, the figure citing pollution and environment went up to only 8 per cent. Despite other polls showing that perhaps 70 or 80 per cent. of the public are aware of and concerned about climate change, usually when people are asked whether they will do something about it themselves only 6 or 7 per cent. respond.

At that rate of progress we shall fail to achieve our objectives. We must get the public more on board if all the other things are to happen. I do not think anyone has yet quite understood the full impact that carbon budgets would have; they would go well beyond any of the things we have tried before, many of which have not been successful. It is a significant issue for us to grapple with. We must present personal carbon allowances as a positive step. They could be described as a free-market measure—a neo-liberal approach. They could also be called a socialist approach. We can make all sorts of things out of them.

The way forward, apart from the pilot project, which is a courageous thing to offer, is to think about other ways to engage people with the carbon story. One suggestion is in a Bill in Congress at the moment. Obama himself has given the idea a sort of endorsement. The idea is 100 per cent. auctioning of carbon allowances for industry; the whole lot is then given to the taxpaying public in carbon rebates. One can imagine that eventually people will be in the pub asking "How much is the carbon cheque going to be this year?" That is quite an innovative approach. We must engage people in the carbon story, not just with a calculator on the web, which is purely voluntary, but by giving them something back. That is what personal carbon allowances would do for people who used all the programmes that we could bring on to maximise renewable energy and energy efficiency. People could easily get below their budget.

From my experience in trying to do that, a bit more planning is needed. If people want to travel, they do not always have to get in the car; they can use public transport. We would have a campaign for better public transport. They could reduce their mileage or the size of their car. Those things make significant differences. People can go on green electricity tariffs. Even without making a great difference to lifestyles it is possible to make huge savings. Personal carbon allowances would encourage such behaviour.

[Colin Challen]

I endorse the calls that have been made for the Government to look again at their response to the report and to take a far more positive attitude. It is time, recognising that the general election will be a watershed of one kind or another, to be really bold and radical, because we have nothing to lose.

3.26 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr. Bercow, as it will be in future, whatever form that chairmanship may manifest itself in after Monday. It is also a pleasure to follow my colleagues on the Select Committee, my hon. Friends the Members for Stoke-on-Trent, North (Joan Walley) and for Morley and Rothwell (Colin Challen), and the Chairman, the hon. Member for South Suffolk (Mr. Yeo), who made an excellent opening contribution. I pay tribute to him for his work on the report, as well as for his non-partisan leadership of the Committee over a number of years and his help and leadership in producing several reports—challenging political orthodoxy across the parties and being unafraid to highlight difficult issues. I am sure that my hon. Friend the Minister will recall that the Committee has been very willing to support and to back the Government at times when they have had few friends in connection with moving the climate change agenda and other issues forward.

Most of the detailed comments that I could make on the report have, not surprisingly, been made in earlier speeches, so I restrict myself to a few general points. First, although as most hon. Members will know I am not backward in coming forward to support radical measures to tackle climate change, I started with some reservations about whether personal carbon trading was practical. I could see the theoretical arguments for it, but wondered whether the practical issues that would need to be dealt with outweighed any advantages to be gained. I understand and accept that practical issues would arise, for example, if an attempt were made to develop a scheme that applied to the entire economy, logical though that might be. I also accept that political acceptability is an issue to be dealt with. We must recognise the syndrome in which, if people are asked in general terms whether they favour a measure to tackle climate change, there is overwhelming support, but when it comes to the nitty-gritty and how the policies will apply, support becomes more tenuous. I can see, even now, a slight tension between trying to get an inclusive scheme for a genuine system that cannot be undermined by weaknesses within it, and a public who are understandably cynical and cautious about measures that restrict their freedom in various ways. There is a balance to be struck and we have to accept that.

As I have highlighted, I had reservations about personal carbon trading when I first approached this debate, but I have now very much come around to the idea. Like the Chairman of the Select Committee, I think that we have to take this issue seriously and to try to work through it and take it forward. A pilot scheme is one way that the Government could take it forward, and would win a great deal of public support. I say that for several reasons. First, having seen the schemes that have been developed—mainly in theory, but with some practical examples—I believe that a scheme that concentrates on particular areas of high energy demand, where individuals are very conscious of their choices about energy demand and the types of energy they use with personal travel and so on, could be effective in getting public support and making changes in personal behaviour.

My second reason for coming around to the idea that we need to do more work on personal carbon trading and on setting up pilot schemes is the overall picture on climate change, to which all my colleagues have referred. As every Member present is aware, we now have more evidence of how climate change is accelerating. We are aware of how serious the problem is and of how little time we have to start turning around policy and personal behaviour. Personal carbon trading has the attraction of making individuals face up to the consequences of their actions when deciding whether to do something that will help to reduce climate change, or something that will exacerbate it.

For those reasons, any measure that can extend public and personal awareness, and bring about measures that will reduce greenhouse gas emissions from individuals as well as organisations and society, should be examined. That is why the Government should take forward the proposals for a pilot scheme.

My hon. Friend the Member for Stoke-on-Trent, North suggested that we could have pilot schemes in different parts of the country, which would make a lot of sense. Clearly, we could not have lots of pilots, as they would no longer then be pilots, but different communities in rural and urban areas have different characteristics, and schemes could concentrate on different types of energy use in different areas. This issue should certainly be examined and taken forward, and I hope that the Government will recognise the strength of the arguments that Committee members have put forward today and in the report. I hope also that the Government will reconsider their position and move in the direction that the report suggests.

3.33 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I, too, wish you all the best in the next few interesting days, Mr. Bercow. Yesterday, at an event in my constituency for one of the major secondary schools, I enquired whether the four senior prefects would be interested in coming to see the election of a Speaker, and they were positively excited about the idea, so it is of interest outside too. I hope that it will be the beginning of a good and positive new phase for Parliament.

May I join others in paying tribute to the hon. Member for South Suffolk (Mr. Yeo), both for his work in producing the report and more generally? I have not had the opportunity to say that to him formally since I took back responsibility for these matters. Like him, I go back a long way in this place, so I can pay tribute to his interest in these matters over many years. He rightly reflected on the rather long gestation period that these debates have, and that it is 30 months since his Committee came to its view on this matter in its very full report. I join his colleagues from the Committee, particularly the hon. Member for Stoke-on-Trent, North (Joan Walley), in commending the report to the interested public, because it has set out the arguments and a good amount of evidence, thereby launching the debate.

Before the Government produced their response in the autumn, the idea of personal carbon budgets got a bit of traction in the press. This is always a risky route to go down, but I noticed that there was a positive endorsement from Polly Toynbee in her column in *The Guardian*, which was entitled "Carbon credits tick all the boxes", on 16 August 2008. That piece was written against the backdrop of an awful August climatologically, as we remember. The following month, there was an equally robust response from Richard Starkey of the Tyndall centre entitled, "Personal carbon trading is not as simple as swiping an Oyster card", in which he argued the DEFRA case. So the intellectual public debate got going, and the Government responded, before the Minister's stewardship, in October.

I do not know who the individual author of the Government response was, or whether a collection of authors did the drafting on behalf of the civil service, but the document was robust in rejecting the proposition. Colleagues will remember that when the matter came before the Environmental Audit Committee for discussion last spring, my hon. Friend the Member for Cheltenham (Martin Horwood) was the one member of the Committee who did not go along with the recommendations. Indeed, at the beginning of the proceedings he moved an amendment to the formal minutes stating that

"this Committee declines to read the draft report a second time because it unfairly criticises the concept of green taxation and does not adequately address the problems that would be faced by those who already struggle to manage the competing demands of low incomes and high living costs and limited options for changing their lifestyles and circumstances".

He came to the debate minded to support personal carbon budgets, but as he listened to the evidence and engaged in the debate, he became increasingly dissuaded about the fairness of the idea and, hence, put down his marker in the debate at the end of the report.

That is enough history. I want to say a word about the context today. Like colleagues such as the hon. Member for Morley and Rothwell (Colin Challen), I have just come from the Chamber, where I heard the statement by the Secretary of State for Environment, Food and Rural Affairs introducing the Met Office report and its stark predictions of the effect of climate change on this country. I hope that people who read the report of this debate will also read that statement and the responses to it. Whatever our differences, whether politically or on some of the responses, there is no doubt that we need an effective, robust and comprehensive set of personal and collective responses in the UK and worldwide to what the scientists are increasingly showing to be a crisis of unparalleled proportions in our environment, given the speed at which changes are developing.

I shall not rehearse our earlier exchanges, except to summarise that the Met Office predicts a minimum increase in temperature of 2°, but it could be higher. If that happens, large changes are projected not only for the south of England, but across the country. There will be an impact not only on the climate but on ecology and biodiversity, as well as on social and other policies. We need to see our response to the issue of what we do about our carbon use against that backdrop.

I absolutely agree with the hon. Member for Morley and Rothwell and with the Chairman of the Committee, the hon. Member for South Suffolk: institutional change alone is not sufficient. There has to be personal responsibility and, to put it simply, we each have to understand the score. As the Minister said in response to a debate we recently had in this Chamber on the energy industry, that is not yet easy to do. We live in a country where it is extremely difficult for people to understand the impact of what they buy and what they do. There is a huge set of items on the agenda if we wish to make it easier for people to understand the impact of their life choices.

Again, it is appropriate that I pay tribute to the hon. Member for Morley and Rothwell for presenting a Bill today, as it makes another good consumer-orientated proposal: when members of the public make a choice—in this case in relation to vehicles for their own use—it is important that they know what the impact of that vehicle is. We have argued, and the Minister has agreed, that it is important that when, for example, people go shopping on a Saturday to B&Q, Asda and other places near where she and I live down the Old Kent road, they should be able to see what the impact is on the climate of buying a bit of kitchen equipment, a fridge or a television.

This morning, I was in a discussion with my noble Friend Lord Redesdale, who has been talking to people in the construction industry about the need for people to understand the impact that home boilers have on housing carbon emissions. The boiler is probably the most significant single item in someone's home and is something that most people desperately hope they will never need to replace because they see it as a big issue with big budget implications. People need information in relation to that. We have had formal exchanges with the hon. Member for Bexhill and Battle (Gregory Barker) and his colleagues in the Conservative party and elsewhere about how to get the energy companies to tell people in their bills exactly what their choice means and its implications for their carbon footprint and the costs.

A general point is that we need to do far better to make sure that people understand the implications—not just people like us who may have the time and ability to do that, but people who may have much more stressed lives and who may be less academic than the policy makers. People may have illnesses or be subject to other pressures that mean they do not have the time to look through the 4,000 different tariffs that the Consumers Association has told us exist.

Where does that leave us on personal carbon emission limits and where should that take us in the debate? I shall make one further general point, then say a few things about the response of me and my party to the proposal. A general point is that we are all now beginning to understand the collective targets that we need to achieve if we are to respond to the crisis. Those targets are becoming more demanding, but they are only the beginning. They provide the framework, but the delivery is the issue. Yes, the delivery can happen in the workplace and companies have a big role to play, but meeting those targets is absolutely dependent on the energy sector. There is a debate to be had about making sure we have the renewable and other energy alternatives and that we deal with carbon capture and storage and all the issues that we have discussed elsewhere. There are also other responsibilities to do with Government legislation and Europe-wide legislation. Of course, the frameworks are important, but that still does not mean there is no question whether we should have personal legal responsibilities and legal limits.

[Simon Hughes]

When my hon. Friend the Member for Cheltenham expressed his concerns last year, he did so—I shall use just one example—because, put simply, he believed that there would be difficult and unfair outcomes, as certain choices would lead the relatively poor and disadvantaged into more difficulty. To provide an analogy, it is a bit like somebody who is given a credit card not being able to manage their finances very well and discovering that, at crucial moments when they need it, there is no credit left—in other words, it is possible that someone might run out of capacity and reach their limit when they most need something. That is particularly a risk to people who are less well off and less equipped to deal with such things. The report recognises that and understands that there are all sorts of social issues, which is why the hon. Member for South Suffolk picked up on the idea in the report that we should proceed with a pilot scheme to test whether such difficult organisational and mechanistic issues can be ironed out.

An addition to the debate on the subject was made in the interval between the publication of the report last May and the period after the Government's response. Having done some pilot work on the subject, the Royal Society for the Encouragement of Arts, Manufactures and Commerce published a report in, I think, February this year that was supportive of the proposal. I have not seen that report and I am unsure of its nature. It appears to be very limited and based on the activities of about 112 individuals who had been working through how such a scheme would work in relation to them. On that basis, they said the scheme was to be commended and that it was worth doing.

If there is to be consensus building, there needs to be a pilot approach. It would not be sufficient for a pilot to be held in one local authority, even if it were a very willing one in a beautiful part of the country. It is necessary to have pilots in several places, and it would be logical to choose places from the four countries of the United Kingdom. We should choose places that are urban as well as rural and that have a mixture of communities. I support that approach.

Having picked up the brief, I have made some inquiries among my colleagues about what they think about the issue. Some are strongly opposed to the idea because of the obvious conflict with liberal principles—for example, it would lead to too much of a Big Brother state and be too much of an intrusion. The scheme would require people to have, as it were, another set of organisational accountabilities. There is also a danger that those administering the system would be able to track much more carefully what people do with their lives—where people spend their money, what they use it on and so on. There is a big bureaucratic and organisational overlay, which could be a big risk. I understand that issue clearly. Some of my colleagues put it very robustly and say that they are in favour of making sure that there are sticks and carrots, but that they think that should be done through the tax system.

Our party had a big debate on the matter at our conference two years ago and produced a report, which those who are interested can read. It is called "Zero Carbon Britain—Taking a Global Lead." One of our proposals is to switch from the climate change levy to a carbon tax, which would apply to

"primary fuels as they enter the economy, once our energy efficiency measures have become effective in tackling fuel poverty, using revenues to cut other taxes."

We have argued—including my colleagues who are against this mechanism—that carbon taxes are a better mechanism and that they are more obvious, visible and transparent. Putting it simply, we could tax the bad things and reduce tax on the good things. We could also do things that the Government have already started to do, such as imposing an incremental vehicle excise duty. For example, there should be either no tax at all or very low tax on cars that are non-polluting and a high tax on cars that are much more polluting.

Some colleagues are robustly opposed to the scheme and some think that it is certainly worth pursuing and we should not let it drop off the agenda. I accept the proposition that the next Parliament is effectively the last parliamentary opportunity we have as a country for getting our house in order on this range of issues. The crisis is so great that, as many of the well-informed advisory groups have said, if we do not get a deal in Copenhagen that is robust enough, and if the Americans, the Chinese, the Indians and others do not put policies in place that will allow us to turn the corner some time during the next decade—people have dates such as 2016 in mind—it will be too late and we will be accused of failing in our obligations. Therefore, I have to decide what is the responsible thing to do, and how to respond. I shall give an uncomplicated summary of my position.

My party has in place policies that I believe will contribute to a reduction in carbon emissions and in the use of fuel, and to an increased chance of combating climate change. We have schemes for making all homes energy-efficient and so on. We have other policies in place that relate to what kind of transport we use, moving from the more harmful to the less harmful. We have made it clear that we must not have coal-burning power stations that do not have full carbon capture and storage, and that we absolutely must expand the renewables sector. All those policies are in place.

I have decided that my party has an obligation to respond formally to the proposition in the report, and that we need to do so quickly, so I have decided that we will have a short period of formal but open consultation, picking up on what has come from the Committee's report and from the Government response, which makes arguments against it. We will complete that process by September, by the time of our conference. We will then be able to formulate a party view in good time for the general election, which we expect afterwards. The plan will allow us to have an internal debate and look at the pilot scheme option. My sense of the way forward is that the pilot scheme option is likely to command the most confidence, as it will allow people to see whether the proposal works.

I am nervous about an over-authoritarian response, and anything that is illiberal in how it intrudes on people's privacy. I do not have a problem with having a tough set of laws and regulations to deal with the global crisis, because sometimes one has to regulate and legislate to change behaviour. I do not believe that everyone will wake up in time and come to understand their obligations. However, we need to respond positively. My response to the hon. Member for South Suffolk and his colleagues is to say that the public are clearly divided on the issue. It is controversial, and it would involve people living

their life in an entirely different way and being environmentally accountable. We should go down this road only if the preconditions that the Committee set out on public understanding are met.

I believe that public understanding of the crisis is growing quickly. They understand increasingly clearly that we all have personal obligations to do things about it, but we must ensure that the public do not think that there will be unfair penalties, or that the rich and well looked-after will be able to manage far better than the poor and disadvantaged. That would not be a good, fair or equitable social outcome. My proposal seems to be a reasonable way forward. I hope that it commends itself to members of the Committee, the Government and the public. I will, of course, ensure that we make public our response later this year.

3.53 pm

Gregory Barker (Bexhill and Battle) (Con): I am a Front-Bench spokesman and therefore precluded from nailing my colours to the mast of any candidate for Speaker; nevertheless, I wish you well on Monday, Mr. Bercow.

The speech by the hon. Member for North Southwark and Bermondsey (Simon Hughes) was thoughtful and covered all the points, but I find it eye-wateringly extraordinary that, more than a year after the report was published on 26 May 2008, his party still needs another six months or so to come to any sort of balanced conclusion. That is extraordinary, given that we are in the fifth year of a Parliament, but I leave that to one side.

I congratulate my hon. Friend the Member for South Suffolk (Mr. Yeo) on his excellent speech and on a thorough report. The Government response was long overdue. There is a great deal of detail in the report that informs this important debate, but I may disappoint him by saying that we on the Conservative Benches will find more in common with the Government response than we do with the Environmental Audit Committee's report. However, it is an excellent example of the EAC leading the debate.

I am entirely party-free on this matter, as I am an alumnus of the EAC, having for five years served with great pleasure alongside at least three hon. Members in the Chamber—in fact, for the whole of my first Parliament. I have the greatest respect for the Committee's work. It tests opinion in Parliament and in the country more widely. The EAC is second to none in the role of leading and helping to shape the debate on the challenges of climate change as well as the wider environmental debate. It is absolutely right and welcome that it has done so much important work on the issue.

Of course, the idea was run up the flagpole by the right hon. Member for South Shields (David Miliband) before he went on to become Foreign Secretary. Unfortunately, his utterances on, and enthusiasm for, personal carbon trading proved to be another banana skin on which he slipped, and he rapidly retreated to the Government's much more measured approach to the subject.

I wish to be precise in giving my party's response to the debate. There are several good reasons for thinking that personal carbon trading could contribute to a solution to the problem of dangerous man-made climate change. We all know that there are no easy solutions, and that the solutions are many and complex. There are certainly no silver bullets, so everything that looks like a potential solution has to be looked at clearly.

I agree with the Committee's statement that

"if the Government is to stand the slightest chance of meeting its 2050 target it cannot afford to neglect the domestic and personal sector."

That is absolutely right—it is a given. The Committee then stated:

"Reductions in carbon emissions from business and industry will be meaningless unless accompanied by significant and equal reductions from households and individuals",

and was spot on about that.

Likewise, the Committee stated that

"existing initiatives are unlikely to bring about behavioural change on the scale required".

I think that that principle could be extended across the range of Government policies. We are simply not seeing transformation on the scale required. Even if individually many of the Government's schemes and policies are themselves not bad, they simply do not have the reach and breadth that we need, given the urgency of action required during the next decade.

I certainly agree with the Committee's conclusion that

"more radical measures must be introduced if emissions reductions from the individual and household sector are ever to make a meaningful contribution to UK targets."

However, I am less sure that its conclusion that personal carbon trading

"might be the kind of measure needed to bring about behavioural change"

is something that we need to embrace now.

In point 6, the Committee acknowledges

"the many difficulties that will have to be overcome in the development and implementation of personal carbon trading, not least work to bring about the public and political acceptance of such a concept; considerable further research is required on many aspects of personal carbon trading."

The fundamental difference is that the Committee believes that by

"designing and implementing a sensitive and moderate scheme, these obstacles could be overcome."

That is where I beg to differ.

There is a danger that such a scheme would ultimately appear to the public to be complicated, intrusive and potentially another arm of the Big Brother state. I could easily rehearse all the familiar arguments about identity cards, but, even greater than that, we would have a huge public debate about process. The debate would not be about the threat from climate change or the urgent need for action. It would be drawn down into a pointless discussion about process, cards, funding, formulae and something that, in itself, is not a solution but just a mechanism for getting to a solution. That could do huge damage to the growing public acceptance of the need for radical action on climate change.

Ultimately, it boils down to this: there is a serious problem. We need much more radical action and we must be much more ambitious in our response to dangerous man-made climate change, but there is a hierarchy of response and action. A number of other

[Gregory Barker]

measures cannot be put in place until the infrastructure to decarbonise our economy is in place, and until the public feel that the Government are showing real leadership and have implemented the measures needed to make it easier, and possible, for people to live a more low-carbon lifestyle and easily to facilitate the changes that they need to make in their lives to live a more low-carbon and sustainable existence. To bring in such a measure now would risk alienating the public opinion that is essential if we are to beat the challenge of dangerous man-made climate change.

Although I believe in political leadership, not followership, on this issue there is a possibility of our alienating the people whom we need onside if we are to be effective in adopting the manifold solutions that we need to bring to bear on global warming. Only when those other measures are in place and we have retrofitted the vast majority of the housing stock with the energy efficiency measures that it is crying out for can we start to put pressure on people to change their lifestyles. Only when we have a much more equitable system of taxation, with green taxation taking on a more important role in the overall balance of taxation policy, and only when the Government are making real steps to ensure that the investment flows into the energy supply to ensure that renewables are playing a full part, and that the carbon from the fossil fuels that we do deploy is captured and sequestered, will it be fair to start putting more pressure to the British public—the consumer.

Ultimately, it is not that we are against the principle of personal carbon trading, but in the face of a real threat—let us be clear that, as we heard today, climate change is posing a growing threat to our nation and to the well-being of the population—we have to do a lot of things first, before we get to the unpalatable measure of the intrusive, Big Brother approach of personal carbon trading. Because of all the detail on our personal and private lives that would have to be assembled centrally and held in a database, worrying and complex questions arise that go way beyond simply dealing with effective solutions to climate change. The hon. Member for North Southwark and Bermondsey rightly mentioned the liberal principles that are at stake. We cannot discard those lightly.

Until we see a far more robust implementation of policies to transform the basis of our economy and to make it easier for people to live low-carbon lives, simply introducing personal carbon trading would be regarded by the electorate—the public—as an abdication of responsibility by the Government, who should be leading on this issue, and it would be seen as a substitute for real Government action on this agenda. There is still so much that we should be doing, at Government, local government and community levels, before trying to pick our way through such a complex and potentially unpopular policy such as personal carbon trading.

The Government response to the report, rightly, does not pooh-pooh the whole scheme. It draws attention to the support that the Government have given to external research—to academia and think-tanks—and says that they are

"committed to keeping in touch with their progress."

I think that we could be a bit more robust in that regard and a bit more supportive of external research, because we cannot totally dismiss it, despite our reservations. Perhaps, when all the other things are in place, if we are not successful in decarbonising the economy to the extent that we think possible, ultimately we will have to go down the route of personal carbon trading, but it is not acceptable at the moment. We are not yet in a position where we have the right to impose it on the British public, but we should keep it under review, consider carefully the recommendations of the EAC, and look with interest at the continuing debate in academia and at the research studies.

My view of pilot schemes is slightly less clear. There could be merits in a pilot scheme, and we could learn more for potential future action. However, the danger is that Government pilots would spark a national debate, which could deflect the focus away from the strong action that we need in other areas, including our infrastructure, energy efficiency, developing renewables and decarbonising our economy. My party published a wider range of measures earlier this year in a paper called "Low Carbon Economy". That is where the focus has to be. We have still to get the public to focus on the potential of, and opportunities in, decarbonising our economy and on the considerable benefits that would flow to both their quality of life and our economic life if we did that.

I agreed with many things that the hon. Member for Morley and Rothwell (Colin Challen) said. I appreciate that he is a long-term advocate of personal carbon trading. He is right to say that the Government have a slew of different initiatives that are complex and often opaque. That criticism is valid. Individually, a lot of the schemes are perfectly sensible, but the whole creates a rather confusing blizzard of schemes and counter-schemes. However, I do not agree that the answer to climate change is to inhibit economic growth and simply to put a brake on progress. On the contrary, the economic development of clean energy and deploying capital from the private sector to get the billions of pounds of investment that we need from it into sustainable solutions will be a key factor.

Earlier today, I was with the shadow Chancellor of the Exchequer at the London stock exchange for the launch of the new index, the green initiative and opportunities index, which we hope will make the UK the global hub for green financing and investment. There are the things on the opportunity, innovation and enterprise agendas that we should be focusing on and trying to capture the imagination of the British public with, rather than going down the route of hair-shirt restrictions, which are part of the older agenda of environmentalism.

Colin Challen: I am a little perturbed by the hon. Gentleman's interpretation of my words, some of which I never actually said. I did say that it was possible for people to plan their life better so that they can still maintain their quality of life by having a smaller carbon footprint. It is not about wearing a hair shirt.

Gregory Barker: I am happy to stand corrected, if I misinterpreted what the hon. Gentleman said. I totally agree that, of course, it is possible to have a smaller carbon footprint and still enjoy a high quality of life. On that we are united.

There is a hierarchy of response. We cannot rule it out that, one day, we will need personal carbon rationing—trading—but there is still a huge amount for the Government to do. We need far more leadership and ambition. Running pilots would be an unwelcome distraction from the great task, which the next Government will have, of leading on the solutions to dangerous man-made climate change.

4.9 pm

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): I join all other hon. Members who have expressed their very best wishes to you, Mr. Bercow, and wish you well in the current contest.

I congratulate the hon. Member for South Suffolk (Mr. Yeo) on his thorough, enthusiastic presentation of the Committee's report. I also congratulate the other Committee members on their contributions to this debate. The hon. Gentleman began by stressing the enormity of the challenge. He knows that I agree with him totally on that point. As other hon. Members have said, we have today launched our latest climate change projections, which show the reality of the changing climate in the UK and emphasise that we must both reduce our emissions and adapt to the inevitable changes.

Since the Committee's report was published a year ago, we have in the Climate Change Act 2008 increased our 2050 target to an 80 per cent. reduction in greenhouse gas emissions against 1990 levels. We have also set out our proposed carbon budgets, which will take us to a 34 per cent. reduction over the five years from 2018 to 2022, putting us firmly on the trajectory towards 2050. We are also playing a leading role internationally in the preparations for the Copenhagen climate change meeting where we will press for an ambitious global deal. After such a deal, we will further tighten our carbon budgets in line with the new international position.

My hon. Friend the Member for Morley and Rothwell (Colin Challen) said that he believes that we are not doing enough, but we believe that we are doing enough, although it is always possible to do much more. We are on the path to make the emissions reductions required of developed countries such as ours. The independent Committee on Climate Change is satisfied with current progress. We all know the sort of measures that must be put in place, or that are in place but need to be increased in some instances. We will publish detailed policies later this summer following our setting of the carbon budgets.

My hon. Friend said that he believes that the UK is responsible not for 2 per cent. of global emissions, but for 15 per cent. That was not the conclusion of the work undertaken by the Department for Environment, Food and Rural Affairs. I had that checked because I know the thoroughness with which he reads about these matters. Essentially, our imports produce one third of the increase in our actual emissions, but that does not take us to 15 per cent. of global emissions. It simply increases our 2 per cent. by one third. However, that remains a small proportion of the world's global emissions.

More than 40 per cent. of the emissions from the UK are attributable to individuals through energy use at home, through transport and in other ways. We recognise that policies to tackle such emissions must play a role alongside industry, business and the public sector. As has been said, in 2007 the Government commissioned a series of studies on personal carbon trading, which considered four broad issues: the technical feasibility of a personal carbon trading scheme and its likely costs; the potential equity and distribution impacts; public acceptability of personal carbon trading; and the efficiency and effectiveness of personal carbon trading compared with other ways of achieving the same emissions reductions. Those studies were published in May last year, and I will recap the main findings.

First, there are no insurmountable technical barriers to the introduction of personal carbon trading, which could use established technologies drawn from current banking systems. Secondly, a personal carbon trading scheme based on banking technology would be likely to be expensive. The hon. Member for South Suffolk said that there would be no compulsion to pay, but everyone enrolled in the scheme—the whole population would have to be involved for the scheme to be fair—would have to pay the costs. Working out the costs is essential to any judgment on whether such a scheme would be affordable. We did not do that ourselves, but engaged consultants, who found that the costs would be between £700 million and £2 billion just to establish the necessary systems, and that there would be annual costs of between £1 billion and £2 billion.

My hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) said that he was initially a sceptic but had become a convert. My journey has been exactly the opposite. I was enthusiastic, with the previous Secretary of State, and I hoped that the scheme was a straightforward and direct way of making the necessary carbon reductions. One of the great attractions for me and for all hon. Members who have worked on the Committee is that everyone would receive the same allocation of emissions rights, so fairness would be apparent, but we must consider how many allowances people would need to meet their basic requirements.

In general, those with higher incomes use more energy and travel more, so they have higher carbon emissions. Not surprisingly, our study found personal carbon trading to be generally progressive in its distributional impact, and that is what we expected. However, a significant number of low-income households would lose out, and we cannot ignore that. More than 2 million low-income households could be doubly disadvantaged. Not only would they pay the cost of the scheme, which could be around £40 to £80 per household per year, but if they lived in a rural area and had to use their car regularly, for example, they would exceed their free allocation and incur the cost of buying additional allowances. We c[illegible]nd a way of overcoming that.

[illegible]riend also said that it would be possible to guarantee the outcome from a personal carbon trading scheme. The only way to guarantee an outcome from such a scheme would be to allow the carbon price to rise without constraint. Clearly, any market mechanism without constraint would be a huge disadvantage to those who are less able to pay.

Mr. Yeo: I fully recognise that applying personal carbon trading to transport is vastly more complicated and vastly less attractive than applying it to the domestic energy sector, which is substantial, so it is worth making reductions in it. Transport can be dealt with more

[Mr. Yeo]

effectively in other ways. I acknowledge that trying to apply it to people who are driving around is almost certainly unworkable.

The Minister knows that we dispute the costs of the scheme. I do not know what brief was given to the consultants who said that it would cost up to £2 billion to set up and another £2 billion a year, but I bet that they did not talk to Tesco about how it runs its card scheme, which involves tens of millions of people.

If the personal free allowance were set at a sufficient level, it should be possible for a substantial proportion of households—this would include a high proportion of low-income households—to come in well below their allowance. Even if there were an annual £40 admin cost, which I dispute, the value of the surplus allowances would in many cases well exceed that.

John Bercow (in the Chair): Order. May I tell the hon. Gentleman carefully and diplomatically that his intervention is learned but lengthy? I am sure that it is coming to an end.

Mr. Yeo: I am grateful to you, Mr. Bercow. Being corrected will not prejudice my decision on Monday.

Some of the objections that the Minister is raising to such a scheme could be dealt with.

Joan Ruddock: The hon. Gentleman tries to second-guess a serious group of studies that the Department undertook. We undertook that work because we genuinely wanted to find out what was possible. He must accept that those are the findings, and that they led us to certain conclusions. I do not believe that his Committee was able to produce other modelling that would suggest otherwise. I will respond later in my speech to the suggestions that he makes: for example, that the scheme should be very much restricted—perhaps restricted to domestic energy use.

Before dealing with public acceptability, perhaps I should acknowledge the comments about the hon. Member for Cheltenham (Martin Horwood) that were made by the hon. Member for North Southwark and Bermondsey (Simon Hughes) and the concerns that were expressed by him about those who are less able to pay. Even if the less able to pay are a relatively small group of people, the system, if it is to work, depends on trading, and apart from the least able to pay, there are people in one sector of society—I think that he will acknowledge this, as I do—in constituencies such as ours that not only do not have bank accounts, but have the greatest difficulty because their lives are very complicated and stressed. It would be very difficult for many people to take on that burden in addition to everything else that they are dealing with. That needs to be understood.

We found that public acceptance of personal carbon trading would be a major hurdle. Although the majority of individuals in our study recognised the need to take personal action, people easily perceive personal carbon trading as a form of rationing. Furthermore, they had concerns about imposing what were seen to be limits on activities. There were concerns about the complexity of trading and the extent to which people would engage with that aspect of the scheme, and there was strong reluctance about the use of price signals to influence individuals' behaviour.

The hon. Member for Bexhill and Battle (Gregory Barker) advanced strong arguments, along those lines, about the terrific controversy that would arise about the process itself. We take that very seriously. That does not equate to the Government being unprepared to meet the public, head-on if necessary, on issues on which persuasion and behaviour change are required to meet our carbon limits. We are more than prepared to do that, but to do it in the face of concerns that we think would lead to real and major difficulties would be somewhat foolish.

We see the need to question how personal carbon trading might deliver savings beyond those that we are establishing from alternative policies. That is the opposite of what hon. Members have argued. They have argued that, through this method, we could do things that we will not be able to do, or do enough of, through other methods. That is the central question that I now want to address.

Because personal carbon trading schemes target energy users directly, we describe them as downstream trading schemes, as opposed to upstream trading of emissions through fuel suppliers, for example. At the moment, all emissions from electricity usage are already capped through the EU emissions trading scheme, which covers all the major power generators. Therefore, some of the emissions—the electricity emissions—that would be covered by a limited personal carbon trading scheme such as the hon. Member for South Suffolk has proposed are already accounted for further upstream. Any actions to reduce electricity demand do not, therefore, create additional emissions reductions. That sounds counterintuitive, but it is a fact, because if we reduce within the UK, within the EU emissions trading scheme, we allow more scope for more emissions elsewhere.

Colin Challen: I wonder whether my hon. Friend has a fix on the extra amount that everybody has to pay on their energy bills to cover the cost of the ETS and the raft of other upstream schemes. There is a cost to poor people there. How are we addressing that?

Joan Ruddock: My hon. Friend is right. There is a cost, and it is fair to say that as we develop more policies directed at producing more renewable energy, we will have to put more cost on to bills. We have acknowledged that. The fact is, however, that if we do that through upstream schemes, we will do the overall scheme at much lower cost than we believe we could do through personal carbon allowances. That is the case that I make. It is not that personal carbon allowances could not be made to work. I believe that they could. The question is whether that is the more effective way of dealing with carbon limits in the UK and in the EU, or whether the current schemes and the development of the current schemes that we plan for the future are more effective. I believe that the latter is the way forward.

I say clearly for the record that any actions to reduce electricity demand do not therefore create additional emissions reductions, but that is not to say that they are not valuable for other reasons, such as reducing overall abatement costs for the UK and enhancing our security of supply. There is value there, but it does not achieve what my hon. Friend argued it did.

From 2013, aviation will join the EU ETS, so another element of personal carbon emissions will be tackled upstream. It would be feasible to cap heating fuel and road transport fuel upstream as well, at which point all the main sources of carbon emissions from individuals would be subject to upstream caps. Because upstream trading schemes involve relatively few parties, their implementation costs would be relatively small.

Earlier, I gave the costs of the personal carbon trading schemes. With regard to the upstream schemes, we estimate that it would cost about £50 million to cover a few dozen fuel companies, compared with the £1 billion to £2 billion to introduce a trading scheme that would have to involve 50 million participants. So what additional benefit could be gained by the downstream approach? This is important and, I hope, illustrates to hon. Members that we have taken the issue very seriously. My hon. Friend the Member for Morley and Rothwell has already argued the case, but essentially the downstream scheme offers greater visibility. People become more conscious of what they are doing and, if they are more conscious and more involved, they are more likely to be willing to adjust. Each person would have an awareness of their annual allocation and would relate that to the carbon content of their heating fuel, a flight or a tank of petrol when they filled up the car. Obviously, that is an important element, but the central question remains: how can most be achieved?

The hypothesis that we tested is that that higher visibility could drive changes in behaviour of sufficient scale to justify the additional complexity and cost. However, based on our assumed costs, we found that personal carbon trading was very unlikely to be a cost-effective way of reducing emissions compared to alternatives. In the central case scenario, the costs outweighed the benefits by a factor of 15. A scheme would need to deliver personal carbon reductions of about 40 per cent. to be cost-effective at a carbon price of £30 per tonne of carbon dioxide.

Let me offer a comparison with one of the new schemes that we are introducing—the carbon reduction commitment, which is coming in next year. That is a cap- and-trade scheme targeting major organisations in the commercial and public sectors. When we first proposed it, we considered an entry threshold for electricity bills of about £15,000 per annum. That would have covered most organisations other than the smallest SMEs. However, our analysis showed that, for many of the smaller participants, the costs would exceed the benefits. As a consequence, the scheme now has a much higher threshold; it is probably about £500,000 a year in the cost of electricity, but that is necessary to ensure that the scheme is cost-effective.

If a trading scheme is not expected to be cost-effective even for small or medium-sized businesses, that reinforces our conclusion that a similar approach is unlikely to be cost-effective if applied to individuals. I say that with regret, because I set out wanting it to work and for the Government to be able to say that it is the road down which we should go, and I could have supported everything proposed by the Committee. However, I stand by everything that we have said in our response to the Committee's findings. We concluded that although personal carbon trading remains a promising concept, and one to which we may return, we could not justify further work at this stage. Even though my Department is not actively carrying out further research on personal carbon trading, we follow developments elsewhere with interest.

The hon. Member for North Southwark and Bermondsey referred to the RSA report. I must disabuse him of his belief that the report was positive. The RSA set out to be positive, and it expected a good outcome, but its findings mirrored many of our own. It concluded that personal carbon trading posed too many problems to be introduced immediately as a mandatory national programme. However, I believe, as does the RSA, that the main elements of personal carbon trading are relevant in respect of voluntary action, and that we should consider them.

Calculating one's own carbon footprint, trying to reduce it and being rewarded for making emissions reductions can make a valuable contribution to voluntary efforts to reduce carbon. That is particularly true if adopted at community level. I applaud the efforts of members of carbon reduction action groups to monitor and reduce their carbon emissions. The strength of the growing Tragsition Towns movement and the success of schemes such as the British Gas green streets competition demonstrate the power of collective action. Although we are not actively pursuing personal carbon trading at this stage, we are far from being complacent about the challenge of reducing emissions from individuals.

One of the Committee's recommendations, which was repeated today, was that the Government should press forward with the introduction of smart meters. We announced last year that we would mandate the roll-out of smart meters to all households, and we are consulting on the details. The roll-out will happen over the next 10 years. That may seem a long time, but it is a major infrastructure operation. However, by 2020, every household will have a smart meter. Over that period, we will have raised people's awareness, and people will more actively understand their electricity use and how they use their appliances. Things will all be coming together, which will allow people to reduce their energy because they understand it—and they will have a smart meter to prove it.

Simon Hughes: Strategy in that direction is welcome. Will the Minister be good enough to look at what has happened in other countries? Another argument suggests that it might be possible to have such a scheme in a shorter time scale—but not necessarily as short as Italy, which I gather did it in three years. However, we could combine a shorter and more effective scheme with the right labour being trained up to deliver it and not being made redundant at the end. I gather it can be done more quickly.

Joan Ruddock: The hon. Gentleman has made that point before. I am an enthusiast; with everything that the Department considers, I say that we should go further and faster. I acknowledge the need to train people, and the fact that there are skills and capacity issues, but that needs a great deal of consultation with the energy companies. Starting next year and moving forward at the best pace we can, we believe that it will be complete by 2020. Clearly, if we can do more and do it more quickly, we will, but we want to get the design right. The technology has been evolving very fast, and smart meters can do much more than they could one or

[Joan Ruddock]

two years ago. We want to get the optimum out of this; to do so, we need to do it in the fastest time consistent with doing it well.

In our heat and energy-saving strategy consultation, we announced the great British Refurb—a programme to complete all basic household insulation measures by 2015, which is six years away. We also proposed offering whole-house refurbishments to 7 million homes by 2020. We will say more about how we intend to deliver all that in a White Paper later this summer and in the final document of our heat and energy saving strategy later this year. As hon. Members know, we are committed to introducing a feed-in tariff for renewable electricity next year, and a renewable heat incentive the following year, both of which will help householders to install low and zero-carbon energy technologies in their homes.

A number of hon. Members referred to our Act on CO_2 calculator. For the record, I shall give the up-to-date figure. Unfortunately, it is not 2 million; I wish it was. Since we started, 1.6 million unique users have generated more than 608,000 footprint profiles. Many of those who did, as well as Ministers and officials, gave feedback on how to develop it further. Those ideas have come to fruition, and version 2 of the calculator will be launched at the end of this month. It will provide a personalised action plan for the steps needed to reduce our carbon footprint. Other new features will include point-to-point flights, public transport and a comparison tool to help consumers understand how their carbon footprints compare with those of others.

My hon. Friend the Member for Morley and Rothwell argued that the results, although welcome, were rather small. In some ways, however, he went against his own argument on how easy it would be to get the population engaged in carbon trading. We know that there is not yet enough real awareness, understanding and participation, so it is difficult to believe that personal carbon trading, starting from where we are, could just take off. However, it is happening with small communities of self-selecting enthusiasts, as has happened with the carbon calculator. However, as with the carbon calculator, we intend to back it up with advertising, particularly on television during popular programmes when it can be afforded. In that way, we hope to keep drawing new audiences and new segments of the population towards the calculator, leading them to a greater awareness of how they can contribute, saving both energy and money.

The hon. Member for North Southwark and Bermondsey spoke of the need for people to understand much more about their energy use and their appliances. I agree with him absolutely. Again, the Government will be working through sustainable products, particularly energy-using products. We are doing a great deal of work in Europe—that is where it needs to be done—to ensure that people can obtain the most energy-efficient products, and that when they buy they can be more confident that those products will be appropriately labelled.

The Government have further plans for advertising on national television, in the press and on radio and online for our Act on CO_2 campaign. That advertising will be supported by brand partnerships and other public relations activity. It goes across Government, and is not just restricted to DECC. We required the Energy Saving Trust to open a network of advice centres, and through them, and its other campaigns, it reached 1.3 million households in England, Wales and Northern Ireland last year.

My hon. Friend the Member for Stoke-on-Trent, North (Joan Walley) challenged me in a number of ways. She spoke about the need to take seriously the work of the Environmental Audit Committee. She might recall that I was a shadow Environment Minister at the time of the road to the manifesto for the 1997 election. When I was asked what were the three things that we should have in the manifesto, I said that one of them was the EAC, so she should not doubt in any way my commitment in government to ensuring that we take the EAC's work very seriously indeed. We value it and look very carefully and soberly at all its recommendations. I am only sorry to have to disappoint the people who have shown enthusiasm for this topic, but that is not because we do not take the Committee's work very seriously. She asked me to show more willingness—the willingness is there; I just need to be convinced.

My hon. Friend the Member for Morley and Rothwell asked me to be bold and radical because we have nothing to lose. Again, I share those sentiments, but, as good as all our ideas are, we must work through them systematically to translate them into policies that can be implemented. This is a difficult business. I say to the Front-Bench spokesmen that I am glad that we have had such a meaningful exchange. I appreciate the support of the Conservative Front-Bench spokesman, the hon. Member for Bexhill and Battle (Gregory Barker), who agreed with much that we have said, and I look forward to the Liberal Democrats' report at the end of the consultation, to which the hon. Member for North Southwark and Bermondsey referred.

We remain open-minded about the possibility of future action and shall follow very carefully the work being done elsewhere. We believe that some of the elements of the report are entirely applicable to voluntary and community action. We are addressing the situation at the highest level, through the EU emissions trading scheme, the new carbon reduction commitment, our climate change levies and agreements, and other upstream ways of tackling carbon emissions and meeting limits.

We are also looking at the problem from the perspective of ordinary people through our Act on CO_2 campaign. We are trying to increase public awareness and encourage a sense of a national mission. Nothing less than that—this was reflected in the sentiments expressed today—will enable us to make the emissions reductions necessary to make the UK more secure and less likely to contribute to global warming. We have to take that commitment to Copenhagen. If we do not get a global deal, the worst consequences of climate change, as revealed in today's report, will come about. I am very grateful for the work done by the Committee. It has not been wasted. It triggered this debate and will keep us on our toes and thinking and listening. I welcome hon. Members' contributions and congratulate the hon. Member for South Suffolk and his Committee on their work.

4.43 pm

Mr. Yeo: With the leave of the House, I should like to respond. I join the hon. Member for Morley and Rothwell (Colin Challen) in paying tribute to David Fleming's work on this subject. It is enormous and inspirational.

I am grateful to my Committee colleagues for their contributions, support and warm words. I welcome the comments of my hon. Friend the Member for Bexhill and Battle (Gregory Barker) and the hon. Member for North Southwark and Bermondsey (Simon Hughes). I would have welcomed them a bit more warmly had they been more supportive of what the Committee is advocating, but nevertheless their contributions were constructive and thoughtful, and I look forward to seeing the Liberal Democrat's conclusions after they have mulled this over for another few weeks.

I acknowledge the Minister's personal interest in, and commitment to, this subject. It goes back many years. That is welcomed by the Committee. However, I cannot help regretting the journey that she has made on this particular topic—she has gone in the wrong direction. I have a sneaking suspicion that it was encouraged, if not led, by officials. I am sure that she will not admit that, but it is very difficult for me to believe that anyone could have made such a long journey in the wrong direction without coercion by the civil service.

Joan Ruddock: I am sorry, but the hon. Gentleman must allow me to intervene. I value our civil service—it does a huge amount of work—but my job as a Minister is clear: to examine what it tells me and come to my own conclusions, and I am a scientist, so I have a discipline that allows me to do that. I assure him that I would not have come to the conclusion that I set out if I did not believe absolutely the case presented to me on a factual basis.

Mr. Yeo: I accept what the Minister says.

I do not share the Minister's confidence—I am sure that it was not complacency—that Britain is doing enough. Time will tell. The Committee on Climate Change will take a view on that before long. I am simply anxious that, if we say, "We're on track", we shall soon be in for an unpleasant shock. I am also not sure that all her arguments against personal carbon trading apply to the much more limited ambitions harboured by the Committee members who spoke today. We are not in favour of immediately rolling out some nationwide, all-embracing scheme. We are suggesting that the concept is worth doing more on than the Minister indicated she is willing to do. I sensed a degree of incompatibility on a couple of occasions. She said that a fixed cap, necessary to achieve a guaranteed reduction, ran the risk of price spikes, but, as I understand it, we have a fixed cap in the EU emissions trading scheme, which has the Government's support. In theory at least, there is the risk of a price spike, although perhaps not a very big risk, in view of the global recession.

The Minister also advanced the now rather familiar argument that because emissions from electricity generation, as a whole, are capped, under the EU ETS it is pointless to incentivise households to make reductions, given that they have been swept up in the overall cap. I seem to remember that argument being used, somewhat disreputably, I thought, to justify allowing the construction of coal-fired power station at Kingsnorth without a fixed date for the application of carbon capture and storage. It is a poor argument, because it ignores the enormous advantage to every household in the country of investing in energy saving sooner, rather than later. It also ignores the possibility that, in the longer term—post 2020, perhaps—we might face a much more dangerous situation in which carbon prices are vastly higher. Requiring households now, by regulations, to have much lower emissions, and to incentivise them to invest in the necessary equipment, would reap a substantial advantage.

Joan Ruddock: Perhaps I did not make it clear enough that we agree with those advantages. I was simply stressing that the claim that personal carbon trading would achieve more was not correct, because electricity is covered by the EU ETS. I should have made myself clearer. If the hon. Gentleman can run a pilot scheme of the kind that he suggested, funded by the private sector, I would of course look at it.

Mr. Yeo: I welcome that last suggestion, and I shall continue to try to interest a private sector sponsor. I have only just embarked on that process.

In conclusion, we are disappointed at the Government's reluctance to undertake more work immediately. We applaud, as the Committee did several times in public, some even quite unpopular measures being taken to encourage individuals to cut emissions. For example, we have argued consistently for the restoration of the fuel duty escalator and that certain types of very polluting activity should be taxed much more highly.

My fear is that in three or five years' time, the other steps that are rightly being taken—with all party-support in some cases—will need to be greatly strengthened because the science will show that the situation is still not being adequately addressed. The danger is that if Britain is to remain a leader in the world's response to climate change, many of the additional measures that will then be needed will have to be put in place very hurriedly and they are likely to place a heavier burden on the low-income households, which have, quite rightly, been the subject of so much concern in today's debate. I am genuinely anxious that by putting on one side a possible solution—it may not be the right one, but at least let us find out—we may find that we introduce other things that penalise low-income households, which are likely to suffer more than others from the physical effect of climate change.

I am grateful to the Committee for its work, and I am grateful to you, Mr. Bercow, for your indulgence this afternoon. I shall certainly bear it in mind in the later stages of Monday evening, and I wish you a very happy weekend in the meantime.

Question put and agreed to.

4.50 pm

Sitting adjourned.

Westminster Hall

Tuesday 23 June 2009

[MR. ERIC MARTLEW *in the Chair*]

Skills Gap

Motion made, and Question proposed, That the sitting be now adjourned.—*(Kerry McCarthy.)*

9.30 am

Mr. David Anderson (Blaydon) (Lab): It is a great pleasure to appear before you, Mr. Martlew, at what is perhaps the start of a new era, with our new Speaker. It appears that our Conservative comrades are outside, already plotting for the next one.

I speak as chairman of the all-party group on coalfield communities, a post that I took up three or four months ago. The group's secretariat is supplied by the Alliance, which represents 70 local authorities in the traditional industrial areas of England, Scotland and Wales and was brought together from the Coalfield Communities Campaign and Steel Action. The Alliance promotes the case for traditional industrial areas and recognises problems that have not gone away 30 years after the huge deindustrialisation programme carried out by the Opposition, who are not opposite us today.

Bob Spink (Castle Point) (Ind): May I also note that there is not a single Tory Front Bencher or Back Bencher present for the debate? That speaks volumes about the Conservative party's attitude to older industrial areas.

Does the hon. Gentleman agree that although the Government deserve enormous praise for their work on apprenticeship schemes, those schemes should be more traditional and work-based to help to get essential skills back into the areas that we are discussing?

Mr. Anderson: As a former apprentice, I could not agree more. There should be more traditional apprenticeship schemes, but there can be modern apprenticeship schemes in the modern world.

The Alliance will make available a report called "What a Waste", giving detailed information about what is happening on the ground to people who are trying to find work in the modern world, but have been left behind by 20 or more years of problems. In many ways, things are now worse for those people than they were even 20 years ago because we face a much more global marketplace. The only answer is to give people in such communities the skills they need to face those challenges. I realise that the Government are focused on that, but I make no apology for saying that the people we are talking about are a special case, given the situation that they have faced for so long.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Does my hon. Friend agree that we need not only training and apprenticeships, but the creation of jobs? Does he agree that regional development agencies have an important role in creating job opportunities for people in older industrial areas?

Mr. Anderson: I agree with my hon. Friend. I first met the Prime Minister years ago, when the demand was for education, education, education, which I agreed with. However, he said that what we really needed was jobs, jobs, jobs. That is the key, because if people do not have work, everything else is a problem.

The RDAs are doing a great job and have been a fantastic success, even though there have been problems. However, the Tories are committed to destroying the RDAs if they get back into power—I hope that the day never comes. Again, the Conservatives are not here to answer for themselves.

David Taylor (North-West Leicestershire) (Lab/Co-op): Like my hon. Friend, I represent a former coalfield area and am a member of the all-party coalfield communities group.

Although my constituency has been in the lowest quartile of seats for unemployment for much of the past 12 years, there has been a significant surge of unemployment lately. One problem that older people face in going back to work is age discrimination, especially in areas such as ours. Many lack the self-confidence to retrain or to submit themselves for different occupations. How does my hon. Friend think that we can tackle that? Will proposed legislation be effective in tackling age discrimination in employment?

Mr. Anderson: I agree with my hon. Friend's comments and will come on to how we can help people to get back to work. I welcome the proposals on age discrimination, but they will be good only if they work in practice. We must ensure that we have direct contact with the people concerned.

I was an apprentice for the National Coal Board. There was a good training system for people who worked for the nationalised industries in the '60s and '70s. People were well educated and supported by their employers. The vacuum left by the demise of such bodies because of deindustrialisation has never been filled. In the communities we are discussing, there have been high levels of sickness, of people going on invalidity and incapacity benefits and not being encouraged to come off them, of serious mental health problems and of social problems. In the early 1990s in the area that I come from, people who had not had their car stolen or their house burgled were not the norm. Drugs came into areas that had never had such problems before. There were endemic housing problems, which have still not been addressed properly.

That background frames the educational needs that we are discussing. We are still trying to recover from the loss of major employers in the coal mining, steel, textiles and engineering industries. That problem is found in many parts of England, Wales and Scotland. It impacts on individuals, their families and the economy. Employers now require a work force with different skills and workers who are able to adapt to change. In the new economy, there are fewer opportunities for men and women with no formal qualifications. It is all well and good, and proper, for our Government and society to aspire to a world in which a university degree is the norm. However, we must accept that this country has at least 6 million unskilled workers.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Unfortunately, I will be unable to stay for the whole debate because I am serving on a Committee at 10.30 am.

[Jim Sheridan]

The promise of the '80s was that the old industries, such as coal and shipbuilding, would be allowed to run down and would then be replaced by new industries. In my constituency, Hewlett-Packard, the new electronics firm, has just informed 700 of its workers that they will be sacked. In my view, the only reason is that the manufacturing base is being transferred to the Czech Republic. Such modern employers are taking advantage of the employment legislation in this country, which means that they can sack unskilled and unqualified workers. The UK is the easiest place in Europe to get rid of workers.

Mr. Anderson: It is a shame that my hon. Friend will not be here for the rest of my speech. I will ensure that he gets a signed copy of the transcript when it is finished.

My hon. Friend's point is correct. It is more important than ever that we tackle this issue because in the global marketplace, employers will act in the manner that he describes. They will go where the work can be done cheapest. If we do not recognise that, the 6 million or more unskilled people in this country will be left even further behind, as will people who have the skills but nowhere to work. As my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) said, skills and jobs must go together.

There is a huge mismatch between the unemployed and job vacancies, with older industrial areas being disproportionately affected. People in such areas have been reliant on manual work and skills. Younger generations often miss out on opportunities because employers have chosen not to go into such areas. The shortfall in skills and qualifications has therefore become intergenerational. Even in times of prosperity, men and women with low skills or no formal qualifications struggle to get work. Although I hope that we are starting to move out of the recession, it has given cause for even greater concern.

Low skills have a negative impact on the economy and industry. If we cannot compete, we will not have a decent economy that employers want to come to. Having large numbers of low-skilled workers is a barrier to economic development. Employers in high value-added industries that require high skills generally look elsewhere. Few employers are keen to train workers from the start. They want to hire skilled and experienced people from the local area, and they certainly do not want to confront shortfalls in basic literacy, numeracy or computing. If we truly aspire to be a world-leading economy, we have to ensure that as many citizens as possible can contribute to the wealth of the nation.

Many streams of Government funding are aimed at men and women with lower skills who are already in work. Such initiatives are absolutely correct, but they fail to meet the needs of those who are most socially excluded. In the meantime, initiatives to address shortfalls in basic skills remain the poor cousin—the funding is patchwork and the delivery is piecemeal. Engagement is a key issue. Although many individuals want to improve their skills, their previous experience of education often deters them from engaging with learning, and those types of learners are the hardest to reach. Many people's experience of school and education involved them being told that they were doomed to failure. Once such people have failed, they do not want to go back into education. Such a situation, and the fact that they are often not encouraged to go back into education, means that we have been left with problems.

David Taylor: Does my hon. Friend agree that further education, in particular, is one of the ways in which people can return to work more speedily? In my area, we have Stephenson college, which was named after the great George Stephenson, who was born in Wylam, just across the river from his constituency. Does my hon. Friend fear, as I do, that if the Conservatives were to return to power, they would repeat their track record on further education and it would be neglected in a way that would damage the sort of people we represent? I hope that the spokesman for the Conservatives, the hon. Member for South Holland and The Deepings (Mr. Hayes), will give us a birthday present—seeing as it is his anniversary today—and say that they have recanted their attitude in that regard from the 1980s.

Mr. Anderson: There is absolutely no doubt that further education colleges are some of the unsung heroes. They do tremendous work in my area—the brand new college in Gateshead is an example—but there is still a need to help those who are hardest to reach. My hon. Friend's concerns are real. It is clear that the Conservative party did not put any money into further education structures before 1997. From what we are now hearing, the Conservatives will cut what money has been made available, and there are real worries that the future will be a rerun of the past. We must do our best to ensure that the Conservatives are not allowed to return us to such a situation.

Professionals who work with adult learners agree that pre-engagement work is essential. That usually involves intensive one-to-one mentoring. People who would like to cross a school or college threshold can be persuaded back into education through more informal channels. However, once an individual has engaged with the learning process, there is a need for ongoing support. That type of initiative fits in well with the Government's aspiration to move the economically active away from welfare and back into work. However, such initiatives never seem to get the priority they deserve.

What is the size and scope of the problem? First, we must accept that most skill levels are not evenly spread. The report that I mentioned sets out that the percentage of people with no formal qualifications ranges from less than 10 per cent. in the south-east and south-west to, for example, 17 per cent. in the west midlands. All the regions of the north, the midlands, Scotland and Wales have an above average share of adults with no formal qualifications. There is a clear regional divide between the more industrial areas and the more prosperous half of England, which is south of a line from the Severn to the Wash.

The challenge that we face was spelled out clearly in the Leitch report. If we are to have a chance of filling the skills gap, we have four targets to reach by 2020. First, we need to achieve 90 per cent. functional adult literacy and numeracy, which would be an increase from a 2005 level of 85 per cent. for literacy and 79 per cent. for numeracy. Secondly, more than 90 per cent. of

adults need to be qualified to at least national vocational qualification level 2, which would be an increase from the 2005 level of 69 per cent. Thirdly, we need to shift the balance of intermediate skills from NVQ level 2 to 3 and boost the number of level 3 attainments to 1.9 million. As the hon. Member for Castle Point (Bob Spink) mentioned, we also need to increase apprenticeship numbers to 500,000 a year. Fourthly, we need to exceed the figure of 40 per cent. of adults qualified to NVQ level 4 and above, which would be an increase from 29 per cent. in 2005.

How big is the gap in the specific areas about which I am talking? Let me go through some of the figures in the report—I will need to put my glasses on to do so. Nationally, an average of 54 per cent. of the adult work force are at or below NVQ level 2. However, the figure is 70 per cent. in Corby, 70 per cent. in Merthyr Tydfil, 64 per cent. in Easington in the north-east, 60 per cent. in Sunderland, 59 per cent. in Blyth Valley, 56 per cent. in Carmarthenshire, 58 per cent. in South Tyneside, and 67 per cent. in Stoke. There is a huge gap, and for every 100 people looking for jobs, at least 13 and sometimes 26 people will not have even a chance.

The percentage of adults with no formal qualifications whatsoever is even more worrying. The average for Great Britain is 13 per cent., but that figure is 24 per cent. in both Newcastle-under-Lyme and Knowsley. The figure for my constituency in Gateshead is 17 per cent., and it is 21 per cent. in Blaenau Gwent and 14 per cent. in Durham county. Work that has been done there shows that deprivation is almost endemic. Unless we challenge this problem, we will not put that right.

The report makes a start at dealing with the problem, and the policy and actions that the Alliance believes need to be pursued are set out in it. I shall pick up on a few of those points. We need to get to grips with the issue of low-skilled adults and we need to build adult skills. A large number of adults without NVQ level 2 qualifications are in the middle and later part of their working lives—they are the over-35s and, especially, the over-50s. The Government's focus on improving workers' skills has led to a concentration on funding skills at levels 2 and 3 for the under-25s. That is fine, but it leaves less funding for other forms of learning and for older groups.

Current Government policies encourage providers to seek out quick wins that guarantee funding. Sadly, that disadvantages many adults with low-level skills, who often need time to develop motivation and confidence before they commit to a formal training course. The education and training system does not address the needs of those socially disadvantaged adults.

Jim Sheridan: My hon. Friend paints a bleak picture. Does he agree that the Government should be complimented on introducing the modern apprenticeship scheme? He may recall, as I do, that after leaving school at 15, we had between the ages of 15 to 16 to get a trade. If people did not do so, they were destined for a life of unskilled work. Will he comment on the positive aspects of the modern apprenticeship scheme?

Mr. Anderson: There is no doubt that the modern apprenticeship scheme has been a success, as have many other schemes that the Government have introduced. In particular, I note their encouragement of things such as union learning reps. Again, we have tried to find out whether the Conservatives support that. It will be a sad day if they ever come back into power, but if they do, will they continue such schemes? It has been shown clearly that individual support from someone people know and can relate to is much welcomed in the areas I have mentioned. The Government's work has been good—I am not denying that—but we are talking about a core group of people who have been left behind. We have to make that journey to ensure that they catch up. Part of that is renewing the focus on hard-to-reach low-skilled adults.

The national investment in education and training is now enormous, but the multiplicity of funding regimes is still a significant problem. The number of funding streams that come through so many different Departments means that it can be difficult to identify the funding that can be obtained specifically for low-skilled adults. There is a need for better information, advice and guidance to services, and there should also be improved communication about funding opportunities.

The short-term nature of much funding can make it very difficult to plan from one year to the next. That is often particularly unhelpful for local community organisations. Small community and voluntary organisations in disadvantaged areas need easier access to funding and we should reduce the bureaucratic burden on them. Those organisations spend too much effort chasing funding when they should be delivering services. The result of the funding situation is that a lot of initiatives for low-skilled adults are based on short-term projects and programmes, which struggle to provide long-term, lasting results. There is a need for long-term funding and for successful local projects to be rolled out across England, Scotland and Wales. We are calling for clearer access to funding, but for it to be sustained funding, because that is the only way in which we can deliver effectively.

It is also necessary to mention the key issue of pre-engagement. Not enough is done to provide first opportunities, which are most likely to appeal to men and women with low skills and low self-confidence, and which will help them to take the first steps back into learning and the labour market. That is partly because public policy is concentrated on providing formal education and training that leads directly to qualifications. That is fine, but it has led to a mismatch between available provision and what is actually needed to engage people in the first place. If people do not become engaged, they will not take the next step.

Many men and women feel that they have nothing to gain from improving their skills. In some areas, there are deep-seated cultural attitudes, often with specific historical roots, that lead them to discount the benefits of learning. One of the causes can be the benefits system, or, more specifically, the fear of losing benefit, which can act as a powerful disincentive to engaging in learning. Personal development, community learning and other first-step adult learning and further education provision are vital to making progress with harder-to-reach individuals. There needs to be much more recognition of and support for first-step initiatives, which are vital.

Many adults with low skills will not return to formal education in the classrooms of colleges and schools. To increase skill levels in the most disadvantaged communities, it is often necessary to invest directly in mentors who

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will work with people who need to be encouraged and pointed towards ways out of the various poverty traps that low wages and the benefits system combine to create. Fortnightly trips to the jobcentre to sign on and work-focused interviews are not likely to make a difference to people on the ground. In contrast, someone who will devote a couple of hours a week for a sustained period to a specific individual will help that person to take that next vital step. It is a case of taking the mountain to Mohammed.

To make an impact, intensive outreach is vital, and local delivery is key. If capacity to address low-skill adults is to be effectively built, more needs to be done in the local communities in which they live. That could involve support for people to move back to work via local community enterprises, which allow men and women to enter employment where they learn new skills and at the same time make a real contribution to their community. Such projects are good at moving individuals forward at their own pace and providing a springboard for further training and long-term employment.

There are good examples in the report of community-based support activities such as Big Tick in Pontypool, Ways2Work in Doncaster and Kingdom Homes in Fife. They show how, by providing general training for low-skill adults in suitable settings and locations, training agencies can get involved and take an active, community-based approach to engaging people. Provision should be delivered where people live. That is the best way to make them go forward. One size does not fit all, but a local solution will work best.

As I said, the statistics reveal major regional and local differences in the proportion of adults with low skills or no formal qualifications. What is more, the geography of low skills shows strong similarities with the geography of deprivation. Against that backdrop, population-driven funding formulas make little sense, because population in such areas is decreasing. In the context of funding for adult basic training, what matters is not the total number of people in an area but the number who have low or no skills.

The older industrial areas of Britain that all too often are still struggling with a major problem of low skills need to be given priority in the allocation of resources. Funding and effort has to be concentrated on the communities with the biggest problems; otherwise, they will be left behind yet again. Ultimately, we need to direct jobs at those areas. If job opportunities are not focused on such areas, it will be even harder for people to move forward.

There are opportunities in this country, certainly in the area where I live. Like everyone else, we are going through tough times, but good things are on the horizon. There is a huge opportunity in the north-east to develop new jobs based on the potential of carbon capture and storage. There is huge interest among companies such as Nissan in developing electric cars, and there is a massive opportunity for offshore wind power, but the truth is that many of the people whom I have been talking about for the past 25 minutes—a long time—will not be able to take advantage of those jobs. Unless we address that agenda, we could well see people moving from one highly paid job to another while the people who are not in work do not get into work.

I urge the Minister to support our campaign. I realise that I am making a special case but I make no apology for that. I ask him whether, as a result of the debate, we might have a discussion with the people who produced the report so that we can find a way forward together.

9.55 am

Paul Rowen (Rochdale) (LD): I congratulate the hon. Member for Blaydon (Mr. Anderson) on securing this debate and on an excellent introduction. He set out clear policies for dealing with the skills gap in the older industrial areas. Rather than repeat much of what he said, I shall make a few specific points about some ways in which the Government could be more effective.

The predominant employment in the area that I represent, Rochdale, was based not on coal, as in the hon. Gentleman's area, but on light engineering and textiles. Much of that has disappeared since the 1980s, but the problems remain. As he said, a large number of adults are low skilled and are working in low-skilled jobs or are unemployed. The question is: how can they get into employment or retain their job?

A key issue is that, in the areas that we are discussing, the majority of employment is still in manufacturing. Many other areas have moved to so-called high-skilled, high-technology jobs, but, in most of the areas that we represent, a large part of the employment base is still very much in traditional manufacturing. One of the biggest problems that I come across when I speak to local employers is that, up until now, the Government simply have not had a proper strategic policy for securing the manufacturing base. Until recently, far too much emphasis has been placed on making money in the City, and we have seen where that has gone. What manufacturing we do have is high skilled and high tech.

David Taylor: I strongly agree with the hon. Gentleman's remarks. I represent a constituency in the east midlands region, which, of all the regions in the country, has the highest proportion of its gross domestic product linked to manufacturing. It can survive and thrive, particularly when it focuses on the high-skill or niche end of the spectrum.

Does the hon. Gentleman agree that one of the problems that we have seen over the past 12 years has been that the framework for training—the old training and enterprise councils and then the learning and skills councils—has not been appropriate, adequate or, as the description goes, fit for purpose? Has he any ideas on how we could reform it so that we can realign what is available to the new economy that lies outside, in the way that many east midlands firms have been able to do?

Paul Rowen: I agree with the hon. Gentleman that the system that we have had so far with TECs, the LSC and the soon-to-be skills forum has been far too complicated, as the hon. Member for Blaydon said. We need to streamline and clarify what is available. I agree with the hon. Member for North-West Leicestershire (David Taylor) that we have high-tech manufacturing.

In the current recession, there are two parts to the argument about what needs to be done. One that I would like to spend a bit of time on, which the hon.

Member for Blaydon did not mention, is how companies can secure and maintain employment for people who are already in work.

In April, the Government launched the golden hello and offered to pay employers up to £2,500 to employ new people. For most of the employers whom I have spoken to in Rochdale, that is a non-starter. They are struggling to maintain the employment that they have. They are struggling to keep the people who already work for them in work. They are lean, mean outfits, and they cannot afford to lose the employees they have now, most of whom are multi-skilled.

Jim Sheridan: I do not disagree with the hon. Gentleman's comments about trying to maintain our traditional industries, but the Government have taken positive action. In the current climate, all politicians are portrayed as being the same and it is thought that politics do not matter, but I know from personal experience that the Government saved shipbuilding on the Clyde. It was on its way out and its jobs were going, but the Government's positive intervention saved it, and that is a traditional industry.

Paul Rowen: I do not disagree with the hon. Gentleman, and I have no intention of saying that what the Government have done is wrong. I am trying to point out areas where they could be more supportive. I want to show hon. Members what we can do to maintain employment in the industries that we have—those that are struggling for orders and have people on short-term employment.

I was given an example by a local ball bearing manufacturer in my constituency whose only major competitor in Europe is a company in Germany. The company in my constituency is struggling because Germany is assisting its workers, as is Wales, by paying employers for short-term employment schemes that allow retraining so that workers can be further upskilled. I would like the Government to adopt such schemes nationwide—Wales already has the ProAct scheme—because offering money for workers to undertake further training and paying companies for them to do so would guarantee continued employment for many workers. Employers who operate mean, lean outfits have multi-skilled workers and cannot afford to lose one or two because their whole production might be affected. I would like the Government to do more about that.

My second point concerns the Learning and Skills Council, which has messed up the further education college reorganisation. In that regard, the hon. Member for Barnsley, West and Penistone (Mr. Clapham) and other hon. Members have similar problems to those experienced in Rochdale. Colleges were promised money to reinvest and rebuild, but the LSC's mismanagement has resulted in many of them not knowing where they stand. Areas such as Barnsley, Rochdale and Blaydon, which have a large skills gap, need modern colleges that can deliver apprenticeships—I pay tribute to the Government's reinvention of apprenticeships as a way forward for many young people—but they also need money and investment. The LSC delayed decisions at the beginning of June, and we need to see a way forward. Support must be targeted in such areas because if we are ever to deal with the skills gap, investment in facilities and modern colleges is the way forward.

My third and final point is about another area where the Government can help to secure the employment base. When the Chinese cockle pickers were tragically killed in Morecambe bay, legislation was introduced to prevent exploitation of workers by gangmasters. I was told last week that sweet manufacturers in Yorkshire, Greater Manchester and Lancashire are employing workers at below the minimum wage, and that a small sewing company in my constituency is under threat of going to the wall because larger companies are exploiting cheap labour and taking work elsewhere. Extending the gangmaster legislation to include a wider range of industries would do a lot to secure the employment base.

Beyond that, the Government's policy on working with local authorities to draw up employment schemes is the right way forward, and Rochdale is playing its full part in drawing up plans with local employers and Jobcentre Plus to ensure opportunities for our workers. The next few years will be difficult. The areas that we represent are well used to hardship and difficulty, but with some small changes the Government could do a lot more to help those areas.

I apologise for having to leave the debate early to attend a Statutory Instrument Committee at half-past 10.

10.5 am

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I congratulate my hon. Friend the Member for Blaydon (Mr. Anderson) on securing the debate, which is particularly important for older industrial areas and the people who live there. I want to make three brief points.

First, I want to discuss how to break the cycle of generational unemployment to improve people's life chances in areas such as Barnsley, Blaydon and Rochdale. Secondly, I shall refer to further education colleges and community colleges because they are crucial to the regeneration of older industrial areas. Barnsley college is particularly important. Thirdly, I want to emphasise the need to create jobs in older industrial areas. If we are to end generational unemployment, it is crucial to have the jobs to do that. As my hon. Friend said, evidence clearly shows that the UK's older industrial areas have too many men and women with low skills.

Barnsley was once the centre of coal mining and the heavy industry associated with it, but it now has a great deal of worklessness, and many people have been unemployed since the collieries closed in the 1980s. It is important to remember that in 1983 40 per cent. of people who were employed by the National Coal Board, or British Coal as it became, were tradesmen, but those skills have not transferred to other industries to help to create jobs as those industries have grown. Consequently, we have high levels of unemployment, particularly among the age groups to which my hon. Friend referred—people over 35 and over 50. The prospects for unskilled workers who are unemployed are bleak in areas such as Barnsley. Many of the Government's initiatives have, sadly, missed those groups, and in the current economic downturn their prospects are bleak.

The message that I want to get over to the Minister is that men and women with little immediate prospect of contributing to the knowledge-based economy must not be forgotten. Many initiatives have been good, but they have missed the people whom they were intended

[Mr. Michael Clapham]

to win over. As we move from the economic downturn—there are indications that that is happening—we must concentrate efforts on how to equip the most disadvantaged people in our areas with the skills and qualifications that they need to engage with the world of work.

Long-term unemployed people must be included in the effort to get people back to work. We seem to have missed that large number of people. Unless we tackle the problem meaningfully in older industrial communities, they will become a breeding ground for the extremism of the British National party. Already two BNP MEPs have been elected to the European Parliament. The support that they have received from older industrial areas has helped to elect them. That is a very sad fact. In tackling the economic situation, we must be aware of that, be moderate and create an understanding that leads people away from the BNP.

My hon. Friend the Member for Blaydon talked about initiatives having to be local if we are to encourage people to take the first step towards coming back into learning and the jobs market. It is crucial that we have local initiatives, because many of the people we are trying to reach have low levels of confidence and self-esteem and it will be a slow process of mentoring, as he said, to get people in older industrial areas back into work. Further education colleges and community colleges are crucial to that.

The Barnsley college property strategy was formally "approved in principle" by the Learning and Skills Council as early as July 2007. In November 2008, the LSC regionally approved the redevelopment of what is called the old mill site. That is the main college building. It was demolished, ready for construction to start in June 2009, but, appallingly, the project is currently being held up, awaiting a national decision. The LSC national council met on 3 June, but to date the college has not been advised whether it is on the shortlist for resource allocation. In the meantime, the site stands shovel-ready, as they say, but work cannot start until there is a decision at national level.

So far the college has spent £10 million on the project, with LSC approval of the strategy. The planned building was to cost £42 million. That has now been revised downwards to £33 million, and here we are, still awaiting a decision. The decision is crucial to Barnsley, because if we are to deal with the skills issue that we are talking about, the college's input will be vital.

I refer the Minister to how the college has performed in these very difficult circumstances. The college is at the heart of Barnsley's regeneration plans. Students and staff are in temporary accommodation. Further delay of the project will have a significant negative impact on students. The college is so important that 75 per cent. of young people in Barnsley go to it. It is terrifically important for employer-based skills training in the town and surrounding area. I therefore hope that he will do his best to ensure that the LSC is made aware of the critical situation in Barnsley to help to ensure that resource is made available.

The college's results in these difficult circumstances show clearly the importance of its strategy of working with local people. The results of the Ofsted visit in March 2009 showed that the college was one of the best colleges nationally. Early results suggest that the college will be significantly above the national average for the academic year 2008-09. It is a tertiary college—a sixth-form college as well as a college dealing with vocational studies. Those results have been achieved in enormously difficult circumstances. As I said, I hope that the Minister will do his best to ensure that Barnsley receives the necessary resource so that the college can play its part in regenerating the area.

Mr. John Hayes (South Holland and The Deepings) (Con): I am interested in the hon. Gentleman's point about the capital crisis and Barnsley in particular. Will he let the Minister know, because it would be helpful, whether the college was encouraged by the Learning and Skills Council to expand in the way that he described? The story that I hear from colleges across the country is of exactly that happening. Is that the circumstance in Barnsley?

Mr. Clapham: That is the circumstance. The college has set out to increase the number of 16 to 18-year-old students as well as adult students. The whole strategy was, as I said, approved by the LSC as early as July 2007. That was given further, reinforced approval in November 2008, leading the college to go ahead with demolition in the belief that it would have the resource to start building a new college this month.

The provision of job opportunities is perhaps the most important aspect of dealing with worklessness and unemployment in older industrial areas. Under the drive of the global economy, there is little doubt but that the UK has a particular problem in providing the right skills for a dynamic and quick-changing economy. Academic qualifications can be addressed, but that is only part of the problem. Apprenticeships and high-quality vocational training can also make their contribution. However, job opportunities must be created if the gap in living standards and well-being between the south of England and the older industrial areas of the north is to be bridged. The recession has highlighted the potentially catastrophic prospects for older industrial areas such as Barnsley if we do not create job opportunities.

The way forward is to work with the regional development agencies to build a strong economic base throughout the UK. Using the RDA architecture, the Government must target resources to create job opportunities in all the older industrial regions. Training and apprenticeships are important, but without job opportunities we have a recipe for generational unemployment in areas such as Barnsley, and we must break that cycle.

Now is the time to invest in the green economy and to bring new opportunities to older industrial areas. Yorkshire Forward—the RDA that covers Yorkshire and the Humber—is pressing for a massive carbon capture and storage project in Yorkshire and the Humber. On the RDA's estimation, that would create 50,000 jobs and stimulate the steel and engineering industries. It is the type of project that we require in Barnsley if new skills and training are to be married meaningfully to job opportunities. That will help to break the cycle of generational unemployment in the region. It will bring the people of the area high-quality jobs, with new training and skills. It will be the type of project with which the new apprenticeship schemes will fit neatly.

10.18 am

Stephen Williams (Bristol, West) (LD): We have had a good debate, albeit the Back-Bench speeches have finished slightly earlier than normal. I congratulate the hon. Member for Blaydon (Mr. Anderson) on securing a debate on this important topic. In the interests of Front-Bench fraternity, I welcome the new Minister with responsibilities in this area to his first debate on skills. I am sure that it will be the first of many, particularly in this part of the House of Commons.

The hon. Member for Blaydon mentioned the report—which I confess I have not read but would be interested to see—produced by the Coalfield Communities Campaign and others, which he said was called "What a Waste". I empathised with a great deal of what he was saying, drawing on both that report and the experiences of his constituency. I cannot claim to represent an area of declining industry. Bristol, West does not fit that description at all. However, I did grow up in what was then, at least, a mining village, Abercynon, and Mountain Ash in south Wales. My father left school at 15 to work in a coal mine. Both my grandfathers worked in a coal mine. Three of my four great-grandfathers also worked in the south Wales mining industry. Therefore, I at least have that personal heritage and understanding of growing up in a community that was badly scarred and damaged by the 1980s downturn in the coal and steel industries.

The hon. Gentleman mentioned the long-term effects of mass unemployment, which can be felt to this day. Employment opportunities that had been around for generations suddenly disappeared, and he mentioned the long-term health problems, including mental health problems.

Mr. Anderson: My father worked in the south Wales mines, and the decline in the 1980s was not the first in the mining industry. There was also a huge decline in the 1960s, when new industries were put in place in the new towns, and a lot of education was provided through new technical colleges. The difference in the 1980s was that there was absolutely no support and no help, and that is the real reason why the problems that we have now are becoming endemic.

Stephen Williams: The hon. Gentleman is right. We should not spend too much time on the industrial history of south Wales, although I studied it as part of my geography A-level. We went to Cwmbran, which was a new town that had been constructed in the 1960s. As a Cardiff Member, the Minister will be familiar with these issues.

The hon. Member for Blaydon mentioned the long-term social effects of the unemployment experienced in the 1980s. He also mentioned crime and drugs, which were new problems resulting from the despair in communities.

Mr. Clapham: One statistic relating to Barnsley stands out hugely in the debate. In 1975, the crime level in Barnsley was 15 per cent. below the national average. In 1995, it was 15 per cent. above the national average. In between, we had experienced something that we had not previously seen—the influx of drugs into the town.

Stephen Williams: The hon. Gentleman makes a telling and pertinent point.

The hon. Member for Blaydon mentioned the skills gap, which is the topic of the debate. He mentioned Leitch's 2020 targets for our skills base, which are extremely ambitious and stretching in many ways. However, he rightly said that in many communities—whether in the north-east, south Wales or other areas that share the characteristics that he mentioned—the skills gap is even wider, and we are even further from achieving the ambitious targets in the Leitch report. As he rightly said, it is important that people are not left behind in the current recession, but enabled to reach those ambitious skills targets.

The hon. Gentleman mentioned the important role of community groups. Another characteristic of previous recessions, including in the 1980s recession, as I saw for myself in my village, is that a community's entire infrastructure can be pulled away. If one industry, such as coal mining, is closed down, an awful lot goes with it, including the social clubs, the music bands, the first aid centres and the informal training provided in the community.

My hon. Friend the Member for Rochdale (Paul Rowen), who has had to go to a Statutory Instrument Committee, mentioned the characteristics of his constituency and particularly the declining textile industry. He also said—many economists have commented on this—that much of the focus of current Government policy is on reducing unemployment by inducing employers to take people from the dole queues, rather than on stemming the increase in unemployment by subsidising employers to keep existing employees in work. I was interested to hear examples of practice in Germany and Wales, where regional governments have not tried to take people from the dole queue, but have subsidised training in companies to keep people in their existing jobs so that they can meet their existing obligations.

My party would support such an approach. We advocate redirecting the growth in the Train to Gain budget towards subsidising employers' off-the-job training costs so that they can maintain in employment apprentices who are working in the industry. It would be a tragedy if people who had entered into modern apprenticeships—several contributors to the debate have praised these programmes—lost their places simply because their employer could no longer support their employment, which is an essential and integral part of the apprenticeship.

Mr. Clapham: The hon. Gentleman mentioned his party's industrial policy. Does his party also agree that the architecture of the RDAs will be essential to creating new jobs in the new industries that will emerge as we come out of the current recession?

Stephen Williams: I had actually noted down the point that the hon. Gentleman made about the RDAs in his speech and I was coming to it next, but I will deal with it now. Yes, I agree that RDAs could play an extremely important part, particularly in encouraging new industries. However, in my region, the South West of England Regional Development Agency has had its budget cut this year. If ever there were an inopportune moment to cut an RDA's budget, it would seem to be now, but my RDA's budget has nevertheless been cut. As a Bristol MP, I have had a letter from the RDA saying that as a result of the cut in its capital budget it is no longer able to support some of the projects that it

[Stephen Williams]

had hoped to fund in my constituency, such as the regeneration of Stokes Croft, which is one of the gateways into the city centre. Of course, all RDAs are also affected by the downturn in the property market, because they depend, to some extent, on land sales to finance their capital programmes. The effects of the recession, as well as Government cuts in RDAs' budgets, are having a detrimental impact on the ground.

My hon. Friend the Member for Rochdale and the hon. Member for Barnsley, West and Penistone (Mr. Clapham) mentioned the important role of FE colleges. I will not dwell on that topic too long, because we have discussed it many times in Westminster Hall and on the Floor of the House. However, Barnsley college has probably been mentioned more than any other college in such debates.

The Minister is new to his post, and his predecessor did not exactly cover himself in glory when responding to the concerns expressed by hon. Members from all parties about the FE college capital programme. I am sure that the Minister will earn the respect of many colleagues if he engages positively with the unfortunate issues raised by that programme and points to a clear way forward. If he does, he will also give hope to colleges such as Barnsley, which has been largely demolished, judging by the pictures that the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) has shown me.

Bob Spink: May I ask the hon. Gentleman to point out to the Minister that, notwithstanding its wonderful sylvan setting, South East Essex sixth-form college and colleges like it, which are there to provide young people with education and training opportunities and to skill them up for the future, have also suffered tremendously in the LSC debacle, and they should not be forgotten?

Stephen Williams: The hon. Gentleman rightly says that we have seen a debacle under the auspices of the LSC, although there has also been a lack of good oversight on the part of Ministers, who should not be let off the hook. I have met several college principals and the associations that represent them, and although the hon. Gentleman tells the story from the perspective of his constituency—we have also heard about Barnsley—I am afraid that a cry for help can be heard from many parts of the country, where colleges have been encouraged to be ambitious in their capital bids, only to see the rug pulled from under them.

Bob Spink: Is the hon. Gentleman as interested as I am to learn what the Conservative party's policy on funding all the LSC's promises to colleges around the country would be if it were to form the next Government?

Stephen Williams: I am always interested to listen to the hon. Member for South Holland and The Deepings (Mr. Hayes), and we will shortly have an opportunity to hear from him—probably at length—about Conservative party policy on the issue.

Let me finish dealing with the points that have been made. The hon. Member for Barnsley, West and Penistone talked about the effects that despair can have on communities. He was rightly concerned about the election of two British National party members to the European Parliament, including, of course, one in his region of Yorkshire. I am sure that, whatever our differences on the topic, we are united in saying that we must find a way to reach out to people who felt that the only way they could express their despair through the ballot box was by voting for a fascist party. That should worry us all.

The debate is taking place against the background of a deep recession. Previous recessions, which I have already described, were characterised by sudden downturns in single industries, which affected an entire community, leading to mass unemployment in the area concerned, and often long-term unemployment as well. One of the depressing statistics from that last recession in the 1980s was that many of the men, in particular, aged over 40, who lost jobs then did not return to full productive work, in what could have been useful working lives of another 20 or more years. We must work hard in the present recession so that that stark statistic is not repeated. That is why engagement with the skills needs of older workers in the current or potential work force will be vital. The hon. Member for North-West Leicestershire (David Taylor), who I think has gone to attend a Committee, referred to age discrimination.

The Leitch report was mentioned in the debate, and I said earlier that it had some stretching targets for 2020. However, it brought out very clearly the fact that, because of the demographic change in the work force, 70 per cent. of the 2020 work force to which the targets relate have already left formal education. It will therefore be vital to work not only with people who are currently in full-time education, but with the current work force. There will be a constant need for retraining, and new opportunities need to be explored.

The present recession is different from previous ones that we have discussed. A financial heart attack has affected the entire economy. Workers in the banking and insurance industries, which are very important in my constituency, are suddenly out of work. There is retail gloom, and many retail chains that were common sights in our high streets have gone out of business; and the housing and construction bubble has, of course, burst as well. However, the restriction on credit by the banks is likely to affect the whole manufacturing and small business base. We must ensure, because of the huge injection of taxpayers' money into the capital base of the banks, that they will lend to manufacturing and small business.

Bridging the skills gap that is the topic of the debate is the key to the future. I have mentioned older workers, but we should also think about gender differences: the opportunities that girls and young women feel are open to them, and those that boys feel are open to them. We should think about the differences in participation—the number of women taking part—in engineering, which is a key element in many of the relevant areas. Good information, advice and guidance are crucial to ensuring that young people take up the educational programmes that could lead to those productive careers.

I want briefly to mention that we need to be worried, too, about boys' attainment in the relevant areas. There is a gap in attainment between boys and girls, which is not narrowing. The biggest gap affects white working-class boys. In the areas that we have talked about, whether south Wales, Yorkshire or the north-east, it is largely

white working-class boys who feel the despair of unemployment. That is where there is the biggest attainment gap in schools.

New industries for the future, such as carbon capture and storage, the electric cars that the hon. Member for Blaydon referred to, and wind turbines, such as those that could be installed off the west coast in the area that I represent, have been said to be essential to our meeting our 2020 climate change targets. However, none of that can be achieved if we do not bridge the current yawning gap affecting good STEM skills—science, technology, engineering and maths. That is a skills gap that the Government should address urgently.

10.34 am

Mr. John Hayes (South Holland and The Deepings) (Con): I welcome the debate, and I welcome the new Minister to his post. I think that he is the fourth skills Minister I have faced. I have seen off several others, and look forward to our relationship in that spirit.

Skills matter. They matter for our economy, because they improve our productivity, and so our competitiveness, and they matter for individuals, because there is little that is more significant than the confidence that stems from the acquisition of skills through training. Most of all they matter for society, because they nourish social cohesion by feeding social mobility, and so offer the kind of social justice that is wanted by all hon. Members who have taken part in the debate—and, I hope, all hon. Members in the House. At a time when unemployment has hit its highest total for 12 years and about 100,000 people are being added to the number every month, one might have thought that the skills gaps would no longer be a pressing problem. However, last week, a CBI-KPMG survey of London business revealed that even during the downturn, skills shortages remained a major concern and could hamper economic recovery. Four in 10 of the capital's businesses still say they have problems finding the right talent, despite rising unemployment, and traditional sectors such as those we have heard about today are among those reporting the biggest skills shortages, with 52 per cent. of businesses in energy, manufacturing and construction reporting a problem.

We heard about manufacturing from the hon. Member for Rochdale (Paul Rowen) and from the hon. Member for Blaydon (Mr. Anderson), whom I congratulate on securing the debate, and who made a strong and persuasive case for his constituents. He argued forcefully, with reference to the Leitch report, that unless we fill the skills gap, our economy will falter and fail—of course he is right. Skills shortages are still a significant problem because a mismatch remains in skills policy between provision and need. We must align skills policies much more closely with the needs of businesses and individuals. Only 28 per cent. of respondents to the survey that I mentioned found Government schemes such as Train to Gain beneficial, and 45 per cent. said that they were neither relevant nor useful. That is shocking, but it should not be a surprise, because the Opposition have been arguing for some time that the investment in skills is misplaced because it is unresponsive to need and insensitive to the wishes of business.

Mr. Clapham: The hon. Gentleman will be aware that in the 1980s, when many of the older industries that we have talked about disappeared, little was put in their place. As a result, despite social mobility arising from education policy, there is still a lag, dating back to that time, that affects people whose skills were not transferable. That is the group of people we must reach. That means new jobs using, for example, the regional development agencies. What is the Conservative party's policy on RDAs and on using their architecture to create jobs?

Mr. Hayes: I was barely mature in the 1980s—actually, it is my birthday today. I was just a stripling—a child. However, I understand that it is critical to social mobility that we enable people to gain new skills and to change skills as the economy changes. Advanced economies become ever more dynamic in their skills needs, and rather than holding an archaic view of those needs, we need an ever more responsive and sensitive demand-driven system.

I do not want to get into a debate about the RDAs, but in the brief time available I shall point out—I think it will excite and reassure the hon. Gentleman—that the Conservative Opposition are completely committed to skills. We prioritise them not just because of the difference that, as I have said, they make to the economy, but because we understand the difference that they make—especially in areas such as the hon. Gentleman's constituency, but throughout the country—to individuals, families and communities.

A survey by the Learning and Skills Network in April 2007 found that only 4 per cent. of employers thought that Train to Gain met their needs effectively. The Select Committee on Innovation, Universities, Science and Skills concluded in its report on the 2008 departmental report by the Department for Innovation, Universities and Skills that Train to Gain lacked "any real employer enthusiasm". A recent report by the United Kingdom Commission for Employment and Skills on future skills needs entitled "Ambition 2020" contends that long-term unemployment trends will continue and that there will be a structural shift away from mass production industries to high-end manufacturing and higher level skills at level 3 and above.

The focus of current provision does not necessarily fit those projections. Government policy is to fund fully the training of apprentices under the age of 19, and to part-fund apprentices aged 19 and over. The Government ask employers to contribute about 50 per cent. of those people's training costs, but the Minister must know that that policy acts as a disincentive for employers to take on young people aged 19 to 24 who are not in education, employment or training. It also acts as a barrier to progression, as those who complete a level 2 apprenticeship after their 19th birthday might find their employers unwilling to contribute to the training costs of an advanced apprenticeship. That is a concern, given that UKCES projections indicate that there will be significant under-achievement on the level 3 target set out in the Leitch review, as we heard from the hon. Member for Blaydon. UKCES also reports that the Government will fail to meet its level 2 target, so there will be insufficient improvement in the lower levels of qualification.

We need radical refocusing of skills funding and skills policy, and apprenticeships should be at the heart of that radical change. All apprenticeships should match the standards of the best and confer real and practical competence, which will boost employability. All should provide the opportunity to progress. We want to make it much easier for companies to be involved in apprenticeships.

[Mr. Hayes]

We want to shift £800 million of support to apprenticeships and pre-apprenticeship training at all ages. We aim, as a result, to create 100,000 new training places every year. Because of greater costs to small and medium-sized businesses, they need direct financial support, which is why the Opposition propose a £2,000 apprenticeship bonus for all apprenticeships in SMEs. We should fully fund apprenticeships for people of all ages, facilitating progression from level 2 to level 3. We should also allow apprenticeships to be a route into higher and further education through scholarship schemes of the sort outlined by the Conservative party. It is because we value practical skills that we want to establish a clear pathway for apprentices. That will help business to meet their skills needs, and individuals to get the training that they want.

Apprenticeships are not the only answer. We also need to reskill and upskill, which will not always mean apprenticeships. We need to think more creatively about the advice and guidance that should be given to mature people who need to change direction. The hon. Member for Blaydon—he was echoed by the hon. Member for Bristol, West (Stephen Williams)—was right to say that that will require a better system of advice and guidance, which is why I want an all-age careers service to have a presence in every town, and at every school and college, to offer advice to young people and older learners who need to upskill and reskill.

In the light of the debate, I ask the Minister to answer three questions. First, what will he do about the further education building programme? We heard again today from hon. Members, as we do at every opportunity—although the Government give us few—about the pressing problems faced by FE colleges. When can we expect further news about that, and how many of the 150 colleges affected will have their capital programmes approved?

Secondly, does the Minister expect the number of NEETs to grow or to fall? Shockingly, we heard last week that the number of young people not in education, employment or training has reached its highest level. Indeed, the Minister will know that the number has grown by 200,000 since the beginning of the decade. That is not acceptable ethically, socially or economically.

Thirdly, will the Minister say something about adult community learning, which we heard a little about from the hon. Member for Blaydon? That is about people taking small steps back into learning, particularly those who were failed by the education system first time round. Adult community learning has been decimated, however, and according to the National Institute of Adult Continuing Education, 1.4 million places have been lost in only a few years. Does the Minister expect adult and community learning to grow, or does he expect that decline to continue?

I have asked the hon. Gentleman modest questions because I do not want to make excessive demands of a new Minister. If he gives definitive answers, the whole House will welcome him even more enthusiastically than it would merely as a matter of courtesy.

A recent survey found that one in eight people wanted to learn new skills. They know that education opens the door to a different future. If we can harness that ambition, we can begin to build the more cohesive, just and mobile society that I seek: a new hope, with a society transformed through the elevation of practical learning.

We seek to build a Britain where all play their part and all feel valued through the kind of commitment to skills that Members across the House would welcome. The Minister owes it to hon. Members, but most significantly to young and more mature people who want to gain new skills in the face of the recession, to give positive answers to the questions that have been raised today.

10.46 am

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): May I say what a pleasure it is, Mr. Martlew, to serve under your chairmanship? I congratulate my hon. Friend the Member for Blaydon (Mr. Anderson) on securing this timely debate, and on his chairmanship of the all-party group on coalfield communities, a job that he pursues with his usual dedication and passion. Before responding to the specific points raised by my hon. Friend, may I say that I will be happy to meet him and his group? I have seen the summary of the report to which he referred.

During the debate, a number of places were mentioned by hon. Members that are in some way related to my personal history. For instance, my hon. Friend the Member for Blaydon mentioned Merthyr Tydfil, which is where my grandmother was born. He also mentioned Pontypool, which is where I went to school. The hon. Member for Bristol, West (Stephen Williams) mentioned Cwmbran, which is where I was born. Like them, I too come from a mining background; my grandfather was a coal miner, as were all my uncles—my mother's brothers. My mother came from Nantyglo; the hon. Member for Bristol, West, being a Welshman, will know that that means stream of coal. I am familiar with the areas about which we are talking, even though I now represent Cardiff, West, a rather different sort of constituency.

I shall mention briefly the other contributors to the debate. The hon. Member for Rochdale (Paul Rowen)—he is not now in his place, as he had to attend a Statutory Instrument Committee—made a very balanced contribution. He acknowledged the Government's efforts on the matter of skills, and he also mentioned manufacturing. It is worth putting it on record that we remain the sixth largest manufacturer in the world, and that manufacturing has grown and been successful under this Government, albeit in a changing economy. He also mentioned further education; I shall deal with that in a moment.

My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) mentioned Barnsley college. The Learning and Skills Council will be making an announcement on the matter in the near future; it will not be a long delay before it does so. However, I acknowledge the LSC's problems on that question, as did the Foster review. The process that is now under way is based on the Foster review; we are trying to find the right sort of criteria to make a judgment on which projects should go ahead—and which projects are ready to go ahead—in order to help stimulate the economy. That will be announced in the near future.

I welcome the remarks made by the hon. Member for Bristol, West. He rightly pointed out the importance of the skills of the current work force and not only of the

young people now leaving school. He was slightly unkind to my predecessor, my hon. Friend the Member for Birmingham, Erdington (Mr. Simon), who met with many MPs to discuss the FE colleges issue.

Mr. Anderson: I welcome the Minister to his new post and thank him for his comments about me. On the issue of workers already in the work force, I refer him to a letter that I received around the time I called for this debate. It came from employers and trade unions within the textile industry, who expressed their concern that Skillfast-UK, which is their sector skills council, is in danger of losing its licence. Will he look into that matter, early into his new job, and work with employers and unions to ensure that their training remains in place?

Kevin Brennan: I acknowledge that point. The sector skills councils are currently under review, and I shall take a close look at any recommendations made in that regard.

The hon. Member for South Holland and The Deepings (Mr. Hayes) asked about FE colleges. We are talking not about whether we shall invest, or have been investing, in them, but about how we do so. In the final year of the last Conservative Government, not a penny was invested in FE colleges, and in the last four years, there was a 7 per cent. real cut in their funding. I am reluctant, therefore, to accept any lessons from him, even though he was a babe in arms, as he told us, at the time of the last Conservative Administration. Nevertheless, I wish him a happy birthday.

I also remind the hon. Gentleman that we rescued apprenticeships, which were decimated under the Conservatives. In 2007-08, 225,000 apprenticeships were running, and earlier this year the Prime Minister pledged a package of support for 35,000 additional places over the coming year. I heard the hon. Gentleman's interesting pledges on apprenticeships, on behalf of his party, but is he prepared to pledge to match the expenditure that we have committed to FE colleges in the years to come? Frankly, given what his Front-Bench colleagues revealed recently about their spending plans, I doubt that he is.

Mr. Hayes: Perhaps I can help the Minister. He is catching up with these matters, so his figures might not be pinpoint perfect. The number of level 3 apprenticeships is about 100,000—just under, according to 2006-07 figures—but was about 130,000 in 1999-2000. Therefore, the number of level 3 apprenticeships—the level required for all apprenticeships in France and Germany—has fallen. Furthermore, how many of the 35,000 extra places will be for level 3 apprenticeships?

Kevin Brennan: As ever, the hon. Gentleman is interested in opportunities for the few and not for all. We have extended apprenticeships, but he is not interested in expanding those opportunities to wider groups. I also note that he had nothing to say on FE college investment.

My hon. Friend the Member for Blaydon asked about the amount that the Government have spent on basic skills and the remaining illiteracy and innumeracy. As I think that he acknowledged, since 2001, we have helped 5.7 million people to improve their basic skills on 12 million courses, of whom 2.8 million have achieved national qualifications. As he pointed out, however, the problem is of long standing and goes back generations. Although we have made much progress, much remains to be done to meet the Leitch report target of 95 per cent. of adults having at least functional literacy and numeracy skills by 2020. We have recently refreshed our Skills for Life strategy, which this year alone is backed up by £1 billion.

Hon. Members mentioned the concentration of funding on under-25s and the disadvantage to those wishing to obtain skills in the middle and later part of life. In fact, however, our adult learning programmes are extending into those age groups. In 2007-08, a quarter of people on Train to Gain were between the ages of 45 and 59. The Government certainly agree that learning should serve the needs of the whole community, including older people, either within or outside the work force. Our strategy for world-class skills and reforms of wider adult learning offer everyone, whatever their age or background, the opportunity to improve their skills, prospects and quality of life. And, of course, literacy and numeracy courses are free for all adults whatever their age.

My hon. Friend the Member for Blaydon mentioned the importance of outreach work, which is also mentioned in the Alliance's report. I agree that we need to invest in mentors to work with and encourage the sort of people whom he mentioned, to provide them with a way out of the poverty trap. That is why we shall ensure that the community learning champions network has more support and an improved infrastructure of connections, including with the adult advancement and careers service. In that way, it can be more effective in encouraging peers, neighbours and friends to take up learning. The champions can act as role models in the way that he wants, showing that it is never too late to learn skills and to embark on new career routes. They will be crucial in reaching out to those who need such help—and who perhaps have not been helped so far.

My hon. Friend and other hon. Members also mentioned the complexity of funding structures and the need for people to understand what sort of funding is available. Every year more than 3 million people access the system successfully. However, we recognise that guidance arrangements can be improved, and that is why we shall go ahead with the adult advancement and careers service, which will be available to everyone, including lower-skilled and workless people, and ensure that people can get the right advice about what is available and how to get it.

My hon. Friend raised the problem of upskilling low-skilled people, who often need to increase their confidence before committing themselves to formal training. We recognise that, which is why we are committed to informal adult learning and shall spend £210 million on it this year. Low-skilled and hard-to-reach people are often those most likely to benefit from learning, but the least likely to seek it, as he pointed out. They find it difficult to enter such structured learning opportunities. Often adult learning for the worst-off begins with informal learning, so encouraging them back into that will help them to progress towards more structured learning opportunities.

Hon. Members mentioned the need for more local training solutions to respond to local needs. We want to gear our support towards that local need. Through Train to Gain, skills brokers and providers respond to the specific training needs of employers and individuals,

[Kevin Brennan]

and recent offers to support people through the recession will link skills training to job opportunities. The Learning and Skills Council has stated to providers its wish to see Train to Gain prioritised in areas with a pre-employment training offer, and it will work locally to ensure that the wrap-around services to learners and employers enable progression into work-based skills support.

My hon. Friends the Members for Blaydon and for Barnsley, West and Penistone mentioned that there are fewer job opportunities in older industrial areas, where we need to do more to create extra jobs. They also mentioned carbon capture. We have published our strategic vision in "New Industry, New Jobs" to set out the key areas where Government action can have the most impact. We want to invest in growth to speed the economic recovery and to build our manufacturing and service sectors.

Through the future jobs fund, which is worth £1 billion, we are taking action to provide job opportunities for those otherwise unable to find work. I contrast that with responses to unemployment in previous recessions by Conservative Governments. We aim to create 150,000 jobs to support long-term unemployed young people and others facing significant disadvantages in the labour market. It is important that we target our resources to address inequalities, and we shall continue to direct the majority of our investment towards the priority areas of Skills for Life and full level 2 and 3 qualifications.

Time is short, so I cannot go through all the points raised in this debate. However, the Government remain committed to skills. My hon. Friend the Member for Blaydon made many important points in his speech, and I look forward to reading the report in full and meeting him and his colleagues to discuss it further.

Safeguarding Children (Sexual Exploitation)

11 am

Mr. Anthony Steen (Totnes) (Con): I am glad that I have the opportunity to raise this subject and that we have a new Minister to respond to the debate. I know this is a matter that will concern both her and the rest of the Chamber.

As a country, we work the longest hours, and are the least trusting and the loneliest people in the western world, according to recent surveys. We have record levels of family breakdowns, teenage pregnancies, drug abuse and violent crime. People in this country feel powerless, anxious and insecure. They no longer feel responsible for their neighbour and do not care or know what is happening next door. We live in a dislocated and broken society, with the breakdown of the family unit at the heart of the problem. The cogs of our society have been worn out, and now we face a very new and dangerous problem.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is a great expert in this area, but he is giving us a counsel of despair at the moment. Does he agree that one of the great things that characterises this nation is its well developed voluntary sector? What is his view of the Barnardo's initiative to pilot services for children who are trafficked for sexual exploitation, and the work of the Coalition for the Removal of Pimping, both of which have received small amounts of public funds?

Mr. Steen: The hon. Gentleman has not given me an even chance to explain what I want to talk about. All initiatives that try to do good and make life better are to be welcomed. I know of the Barnardo's initiative and can only speak very highly of it. All non-governmental agencies working in the field—or indeed any other field—are always to be supported and welcomed. Provided the hon. Gentleman does not interrupt me again, he might actually hear what I have to say.

My so-called counsel of despair was designed to set the picture. The public face may look all right, but it conceals untold problems. Too many children grow up in broken homes, with one parent or within the care system, and too many are deprived of the resources that allow them to fulfil their potential. The United Kingdom displays some of the worst erosion of family values in Europe. As a result, we feel obliged to keep passing child care legislation in an attempt to deal with the problems, but we are unable to implement most of it because of the insufficient number of care professionals. Furthermore, increasing numbers of children are brought up in ethnic minority households, with different values, morals, mores and expectations. Such children are under pressure from two worlds. On the one hand they have to reconcile their own culture and, on the other, they have to fit into the British way of life. The state cannot and should not try to provide us with substitute parents to raise children; it cannot be done. Teachers should not have to teach values that parents should impart.

More families are splitting and more children are going into care because of the fragmentation of society. Instead of trying to strengthen the family unit, successive Governments have poured resources into the substitutes.

Yet our broken society still does not have enough substitutes. We have to find more social workers, children's homes and foster parents to make good the shortcomings of families. Britain today has a culture of box-ticking bureaucracy that robs people of opportunities to take personal responsibility and make their own decisions.

In addition, there is the pressure of the modern high-speed internet, which brings into the home a whole new set of opportunities and dangers. Overtly, life appears normal, but, behind closed doors, there is sometimes an unsavoury picture. The debate is about the hidden world in which children are increasingly sexually abused.

Let us look at the child abuse statistics. Some 1 per cent. of children under the age of 16 experience sexual abuse by a parent or a carer, and a further 3 per cent. by another relative during childhood. Some 11 per cent. of children aged under 16 experience sexual abuse during childhood by people known but unrelated to them, and 5 per cent. of children aged under 16 experience sexual abuse during childhood by an adult stranger or someone they have just met. In total, 16 per cent. of children—one in six—aged under 16 experience sexual abuse during childhood. More than one third, 36 per cent., of all rapes recorded by the police are committed against children under the age of 16. That is the picture in Britain today. The most vulnerable of those children in our advanced society should be protected. However, in Britain we do not manage to do that. Our so-called safeguarding strategies look very good on paper, but in reality, children continue to be game to predators, paedophiles and traffickers. They are the ones most at risk of abuse, and the ones least capable of protecting themselves.

People may wonder why our society is unable to safeguard from exploitation the most vulnerable children and why the state has not been able to help more. Is it that state intervention deals only with the symptoms rather than with the root causes? Even children taken away from parents into the care of the state face multiple risks, sometimes from those who are supposed to care for them, as we know only too well. It is just not possible to replicate the role of parent in supporting and nurturing children as they develop.

On 10 June, the Department for Children, Schools and Families published "Safeguarding children and young people from sexual exploitation", which is designed to help police, teachers, social workers and health workers. It has been issued to local authorities around the country. The guidance suggests that the needs of trafficked children should be met by local safeguarding children's boards. It talks about establishing trafficking sub-groups and protocols to manage the effective care of trafficked children. I ask you, Mr. Martlew, is that really the way to go? We are talking about yet another bureaucratic organisation—the local safeguarding children's boards—and yet another sub-group to look at the trafficking of children. We simply cannot cope with the needs of our own children in this country, let alone with the problems of migrant or trafficked children. Establishing trafficking sub-groups and protocols will not deal with existing problems or provide effective care for trafficked children.

Let us give credit where it is due. The Government have recognised the scandal of child trafficking and taken a number of steps towards the prevention and prosecution of trafficking offences. Moreover, they have provided protection for child victims of trafficking. Migrant as well as British children are at risk of being trafficked for sexual exploitation, and that exploitation is often linked with domestic servitude and other forms of exploitative labour. Information about the scope and incidence of child trafficking in the United Kingdom has been produced by the Child Exploitation and Online Protection Centre, which published a strategic threat assessment in April, identifying 337 cases of children trafficked into or within the United Kingdom over the past year. The children came from a wide range of countries—China was the most frequently mentioned—for a number of purposes, including sexual exploitation, forced labour and domestic servitude.

The National Society for the Prevention of Cruelty to Children also published research this month on child victims of trafficking. It recommended that child protection concerns and the best interests of the child should always trump immigration procedures. I hope that the Minister takes a particular interest in this important point: trafficked children need to be seen not as immigration cases, but as children who have been trafficked here for exploitation.

The NSPCC advocated the need for trained foster carers and 24-hour supported accommodation for child victims of trafficking. I am all for that, but can the Government deliver? A campaign to find foster carers that come from the same country as the trafficked child could be the first step. During the Slough raids on the Roma community in February 2008, the police found a number of young children who had been forced into criminal activity, but they were unable to find foster carers who spoke Romanian or the dialect of Romanian that the Roma children spoke. Could the United Kingdom Human Trafficking Centre, which was funded by the Government to the tune of £1.6 million this year, take on the role of locating potential foster carers from minority communities? That is an important job, but it is not being done. If locating foster parents from minority communities who might be willing to foster children from their old home country cannot done by the UKHTC, some of the excellent non-governmental agencies that fortunately abound in this field could be given the task. I would be grateful if the Minister addressed that point.

Although the ratification and implementation of the Council of Europe convention against trafficking provides improved protection in theory—I am glad the Government signed and ratified the convention, and that they are now implementing it—there are some serious problems with the national referral mechanism, which was set up under the convention to identify victims of human trafficking and to ensure that they are referred to specialist support services. The process of identification is critical, because it results in the granting of temporary admission into the UK and access to a range of support and legal services. Failure correctly to identify a trafficked victim can lead to a denial of basic support, continued exploitation, criminalisation and, ultimately, removal to the country of origin, often without a risk assessment. Can the Minister tell us how many children have been removed from Britain in the past year and returned to their country of origin without ensuring that the necessary support services were in place in those countries, to ensure that the child is not re-trafficked and brought back into Britain? Such a risk assessment before a child is put on a plane is a prerequisite, but is it actually happening?

[Mr. Steen]

Part of the problem with the national referral mechanism is the question of what is the competent authority to identify and legalise individuals who have been trafficked. Who holds the power to identify children who have been trafficked? The answer is that it is a handful of UK Border Agency caseworkers, but how do the Government ensure that victim care is the caseworkers' priority given that they come from the immigration services? Does the Minister not think that that is the wrong way round? Would it not make much more sense to have as the competent authority professionally trained child protection staff who would recognise the best interests of the child, which is the most important thing?

End Child Prostitution, Child Pornography and the Trafficking of Children for Sexual Purposes UK—ECPAT UK—represents a coalition of leading organisations, including Anti-Slavery International, the Jubilee Campaign, NSPCC, Save the Children, the Children's Society, UNICEF and so on. It has offered specific training for those responsible for identifying victims in the Home Office and, no doubt, people in the Minister's Department. As yet, it has received no response. The organisation does training all over Britain and it would be ideal if it were invited to train the UKBA caseworkers as to how they should identify trafficked children. When will the Minister, and the Home Office, respond, and will she apply pressure to ensure that the Government respond?

The problem of identification and age determination at ports of entry is another spanner in the works. Trafficked children are often found without legal documents, or with documents that have been falsified by their traffickers to make them appear younger or older than they are. When a child is accompanied by an adult, the information provided by the adult should be verified to determine their relationship with the child. Once they have gone through the frontier, it is too late.

In each region of Croatia, a police officer and a social worker are appointed and trained to identify victims and to assess the credibility of each case. We cannot expect all UKBA staff to be equipped, but why have the Government given them sole responsibility for identification? The Minister may say that it is not her responsibility, but she is here to respond to the debate, and I hope she addresses that point. If she cannot, will she see that the Department responsible deals with the problem?

On 6 May, *The Guardian* stated that 77 Chinese children had gone missing from Hillingdon children's services in the past year. Later in the month, the Select Committee on Home Affairs published its report into human trafficking, which described a resurgence of a type of slave trade and criticised the lack of good information on the scale of the problem. It also said that enforcement was patchy, that prosecution rates were low, and that there is little protection for victims. Similarly, ECPAT UK has found that about 60 per cent. of suspected child victims in local authority care go missing and are not subsequently found. The Committee was particularly alarmed by accounts that traffickers may, in effect, be using the care home system for vulnerable children as holding pens for their victims, until they are ready to pick them up.

I saw that very process when I visited Gatwick with some of my colleagues from the all-party parliamentary group on the trafficking of women and children. Children who were initially applying for asylum came through the system and were sent in a minibus to one of the local authority children's homes about eight miles away. That is a receiving centre for children, as is Hillingdon near Heathrow. Oddly enough, most of the children are allowed to hold on to their mobile phones. When it is convenient for the traffickers, the children in the reception centres are picked up.

The children's homes are not secure, and I am not sure that the balance between making them a prison and keeping them open has been correctly struck. At the moment, they are far too open, and traffickers probably ring the child on the mobile phone saying, "Meet me at the front gate in half an hour," and off they go. In such circumstances, one cannot be too surprised that 77 Chinese children went missing from Hillingdon children's services. The problem is the balance between secure and free accommodation. At the moment, people can go missing if they so wish.

Article 10(4) of the Council of Europe convention, which we implemented in April, states:

> "As soon as an unaccompanied child is identified as a victim, each Party shall...provide for representation of the child by a legal guardian, organisation or authority which shall act in the best interests of that child".

The necessity of appointing a guardian for a trafficked child stems from the acute vulnerability that such a child faces. They are highly susceptible to the continued attempts by traffickers to re-establish their control. One non-governmental organisation found that children go missing at the very point when they are being assessed for support. A guardian appointed at that stage would provide additional protection, look out for the child's best interests, guide them through the complex legal and policy processes and provide a crucial link between the various agencies and services for the child.

Will the Minister consider the issue seriously? Why do the Government oppose the appointment of guardians? Why do they say that it is not necessary? That is the one thing that would go further than anything else to guarantee the safety of vulnerable children. The system uses guardians ad litem anyway, so it is not a question of appointing a lot of new people at enormous cost. Guardians ad litem do a tremendously important job in our legal system by protecting children in this country; why can they not be given the job of looking after vulnerable children who are trafficked into Britain or come here seeking asylum? We are not talking about a vast number of children; it may be in the hundreds, but it is not yet in the thousands. It needs to be considered.

Defining the scale of trafficking in the United Kingdom is an ongoing issue. In its report, the Home Affairs Committee said that one of the biggest problems facing attempts to tackle trafficking is the lack of any serious current estimates of the scale of the trade in people. The report, which is excellent, goes on to give a conservative estimate of at least 5,000 trafficking victims in the UK, of which just under 1,000 are children. Some estimates state that there are at least 4,000 trafficked women working in the sex industry alone.

I am afraid that figures all over Europe are much the same. Nobody knows the extent of human trafficking, as by its nature it is under the radar. Nobody has a clue exactly how widespread it is, although the United Nations calls it the third most serious crime after arms dealing and drug dealing and says that more than 800,000

people a year are trafficked. More people in the world are trafficked in one year than were ever trafficked in the slave trade. The problem is rightly referred to as the new slavery.

The Home Affairs Committee expressed disappointment that the United Kingdom Human Trafficking Centre had not made more progress in developing estimates of the scale of the problem, which is one of the main tasks for which it was established. Without reasonable estimates, it is impossible to gauge what support services are needed for victims. Currently, the Government provide long-term funding for just 35 places in safe accommodation for victims, through the POPPY project, on which the Government rely. Although the project does good work, it provides beds, if that is the right phrase, only for women over 18. There are no facilities for children under 18 other than local authorities' provision for children.

I am also concerned about the criminalisation of children. The Joint Committee on Human Rights has criticised the Government for refusing to decriminalise children involved in prostitution and for new provisions in the Policing and Crime Bill that will give the police powers to direct a child as young as 10 to leave an area, without necessarily taking into account the child's safety or, more importantly, where the child will go. It is all very well to say that they cannot stay in the area, but where are they supposed to go? The Committee finds it

"surprising that the Government propose to rely on the criminal justice system to address individual institutional failures within the services available to children and young people. It appears to us to be more appropriate to strengthen the duties and capabilities of children's services to respond to children involved in prostitution, rather than criminalise children for the state's failures."

Children involved in prostitution are treated not as child abuse victims but as criminals, despite the Government's statement clarifying that involving children in prostitution is a form of child abuse. Will the Government remove the power to prosecute children over the age of 10 for prostitution offences? Children involved in prostitution are victims of child sexual abuse and need protection, not prosecution. Although prosecution numbers are low, the illegal nature of the activity adds to the child's fear of discovery and may act to deter the child further from coming forward to seek help from the authorities.

The problem is Europe-wide, because police throughout Europe tend to be unsympathetic, seeing all prostitutes, whatever their age, as prostitutes and not child victims. Many have been trafficked and trapped into brothels. I have seen on the streets of Rome children under the age of 18, some as young as 12, who have been trafficked from Albania. They need help, not criminalisation.

The issue was discussed recently during the passage of the Policing and Crime Bill. Baroness Miller emphasised that the right approach was crucial so that children are treated as victims and not criminals. On Second Reading of the Policing and Crime Bill, she said:

"Nor does the Bill take the right approach to the exploited children in the sex trade. Instead of treating them as the victims they are, it leaves the under-18s to be treated as criminals. That attitude really worries us and will do nothing to help the exploited children in this country or, by example, in the rest of the world. All too often young street-working children in the rest of the world are treated as criminals simply for selling themselves for sex in order eat. We do not want to replicate that problem here in the UK."—[*Official Report, House of Lords*, 3 June 2009; Vol. 711, c. 232.]

The Home Office has decided to cease funding the work of the Refugee Council children's panel, whose work concerns age-disputed children. That is odd. All funding to the panel is expected to be terminated in 2010. Why? The UK Border Agency says that the support work provided by the panel is now being done by specialist local authorities. Can the Minister tell us which ones? We have not been able to find any that have taken on such work. The children's panel provides essential support for age-disputed young people, including access to education. I do not know whether the Minister knows this, but there is non-stop dispute about the age of children coming through ports of entry, because if they are under 18, they are treated in one way, and if they are over 18 they are treated in another.

I am sure that I have given the Minister enough to chew on, but I will give her a little more in the next four or five minutes. In addition to the removal of funding from such an important organisation as the Refugee Council children's panel, I am puzzled by the removal of funding from the Met. Further cuts have been made within the Met's human trafficking unit, which is being wound down despite the Prime Minister's assurances that more funding, not less, would be given. The Chairman of the Home Affairs Committee, the right hon. Member for Leicester, East (Keith Vaz), asked the Prime Minister:

"Another recommendation from the Home Affairs Committee is on human trafficking, which I know is a concern of his. Will he look at that recommendation, which asks the Government not to cut the funding for the Metropolitan police human trafficking unit? It is very important that we deal with the perpetrators of this very difficult and important crime."

The Prime Minister replied:

"I can say to the Chairman of the Select Committee that the unit will have an increased budget; it is not being cut. We are doing whatever we can to support it."—[*Official Report*, 20 May 2009; Vol. 492, c. 1504.]

That does not make sense, because the Met tells me that the unit is winding down. The Home Affairs Committee noted the reduction in Government funding for the Met human trafficking unit and recommended that the unit, far from being run down, should be sustained. What is the position with regard to the Met's police work?

When will we ratify the Council of Europe convention on the protection of children against sexual exploitation and sexual abuse, which the Government signed more than a year ago? That is directly within the Minister's remit. I can quite understand if she can get out of answering some of the other questions, but she cannot get out of this one. The Government have signed the Council of Europe convention, but have done nothing further.

Where do we go? Where does it all leave us? Hopefully, a little nearer to protecting children from sexual exploitation, especially those who have been trafficked, but one must remain somewhat sceptical. Traffickers are far more nimble than the heavy-handed Government bureaucracy that surrounds our efforts. It is right that the professionals working in the field should be better informed and better trained to spot the telltale signs indicating the possibility of child abuse.

The European Commission wants us to pass even more legislation to protect children, but as existing legislation has not been implemented effectively, there is not much point in producing even more. That is what the EU does constantly: it persuades its 28 member

[Mr. Steen]

states to keep passing more and more laws. The trouble is that those laws are not being implemented. We therefore need to focus on what we can do and what we can do well, perhaps starting with the national referral mechanism. I believe that we now have our hands on the levers, but we must pull them to save increasing numbers of children from the indignity and horror of child abuse, often at the hands of traffickers.

11.30 am

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate the hon. Member for Totnes (Mr. Steen) on securing the debate. He has considerable experience and knowledge of trafficking and has used it to great effect.

Many significant points have been made and the new Minister has many questions to answer. I welcome her to her new position officially. We have exchanged a few amicable words across the Floor of the House, but have not yet engaged in debate. This debate has highlighted how important it is for the Minister for Children to bring Departments together. We have discussed a number of issues that in the past may have been fobbed off as the responsibility of the Home Office. However, now that we have a Minister for Children, that should not be the case. On that basis, I anticipate that we will receive answers to all our questions.

The hon. Gentleman gave some statistics, which are always a great wake-up call. They were not pessimistic enough to suggest that our society is broken, but did show that it has many worrying and upsetting traits. He rightly drew our attention to this country's child abuse statistics, which remind us that child protection should be at the top of every citizen's agenda. We must be aware of what is going on.

In my brief contribution, I will look at the wider issue of exploitation, as well as at trafficking. The issue is important in relation to the new Government publication, "Safeguarding Children and Young People from Sexual Exploitation". I was pleased to work on the parliamentary panel on safeguarding children and young people who run away or go missing from home or care. An enormous number of children—140,000— run away each year. Fortunately, most of them return safely, but about 10,000 encounter harm or danger, which can involve sexual exploitation. Homeless children, regular absentees from education, those who are not receiving a suitable education and those in pupil referral units are vulnerable. A large proportion of runaways are children in care. A wide breadth of issues make children vulnerable.

Mr. Steen: Does the hon. Lady agree that the phrase "children in care" is a misnomer? The one thing that they do not get is care. Although many of the workers involved are dedicated and hard-working, there is a horrible trend that children in care either disappear or are abused while in care.

Annette Brooke: I accept that those are problems in the care system. There is no doubt that as a society we must do a lot better with children in care. Hard decisions must be taken about whether to leave children in abusive situations or put them into care. We must be sure that we are putting them into an improved situation. Much more must be done on that.

Many organisations work with vulnerable children, including the National Society for the Prevention of Cruelty to Children, the Child Exploitation and Online Protection Centre, Barnardo's, the UK Human Trafficking Centre, ECPAT UK, UNICEF and the Children's Society. As the hon. Member for Castle Point (Bob Spink) mentioned, there are statutory bodies and those from the voluntary sector.

Sexual exploitation is all around us, as was clear from the recent arrest of a nursery worker in Plymouth, which astounded most people. At the weekend, we heard of primary school head teachers who had not done Criminal Records Bureau checks on staff.

Some years ago, I took part in the police parliamentary scheme and spent time with what was then called the child protection unit and the vice squad. Sadly, I learned of things that were happening to children that I had not imagined. I was also involved in the Home Secretary's task force for protecting children on the internet until it changed to its new format, which was when CEOP was set up. I commend CEOP's work, but I have been concerned to read about possible shortcomings in funding. We worked hard to set up that organisation, we examined experience in the United States before doing so, and it has strong support across the board. Will the Minister assure us that it will not be constrained in its vital and successful work because of a lack of funding?

The issues are prevention, identification of young people at risk, effective intervention at an early stage with avoidance of a crisis response, vital support as we pick up the pieces, prosecutions and convictions. Barnardo's defined sexual exploitation as:

"Any involvement of a child or a young person below 18 in a sexual activity for which remuneration of cash or in kind is given to the child or young person or a third party or person. The perpetrator will have power over the child by virtue of one or more of the following: age, emotional maturity, gender, physical strength and intellect".

and perhaps if a child is lost in a strange country. Barnardo's operates on the principle that no child can consent to their own abuse, so children and young people under 18 who are abused by sexual exploitation are victims. An important point was raised about criminalisation of victims, and I hope that the Minister will reply to that. Adults involved in sexual exploitation are child abusers.

As the hon. Member for Totnes said, Government figures suggest that around 330 children and young people are trafficked in the UK each year, although that is likely to be an underestimate. Problems continue to arise from the identification of child victims, which remains very low. We must make it a priority to increase identification. Authorities have not developed adequate procedures and guidelines to improve detection, and there is a general lack of awareness about child trafficking and its indicators among practitioners who come into daily contact with victims from abroad.

Some non-governmental organisations and other campaigners are worried that the immigration age assessment dispute process is used to divert young people into the adult system rather than to safeguard them. That is important, because there is much anecdotal evidence and many examples of disputes when someone is said to be under 18 but the judgment is swayed on the side of them being over 18. I do not know what criteria are used, but the issue is important because of what subsequently happens to those children and young people.

Mr. Steen: Swaying on the side of a child being over 18 means that they are sent back, without regard to what will happen to them when they get back. Often, they are trafficked again. The advantage for someone under 18 is that they should be cared for, but the Border Agency is not the right agency to deal with them.

Annette Brooke: The hon. Gentleman is absolutely right. I have met adult females who have been returned to their country and it was the most distressing situation that I can ever recall. They were put into a sanctuary for a short time, but so much support was needed that it was impossible to deliver it, because of the state that those young ladies were in—and they were young. I would not have known if they were all over 18.

Practitioners have stressed the need for child protection concerns to override concerns about the age or immigration status of children and young people who have been trafficked into the UK from abroad. Safeguarding the child must be paramount. Children trafficked from abroad might not receive the same rights and treatment as children born in the UK, even though they are entitled to by law. Multi-agency work between the UK Border Agency, police and children's services at the point of arrival, focused on securing the safety of the child, is essential in efforts to engage with the child and to prevent them from being abducted or going missing.

Good practice is to provide the child with a child protection key worker, who is supported through multi-agency work with police involvement, and accommodation in a place of safety, preferably in supported and supervised foster care. As an aside, I just mention that the hon. Member for East Worthing and Shoreham (Tim Loughton) and I have talked at great length about the need to register private foster carers. One concern that we all have is that if children enter this country and go into unregulated private foster care, none of us knows what their fate might be. I think that we both hope that the new Minister will look on our request in that area rather more favourably.

Safeguarding procedures are clearly not systematically followed for trafficked children. Immigration issues have generally taken priority. As there is inadequate safeguarding, high numbers of young people go missing. That is the consequence of inappropriate placement, young people not being placed safely and inadequate training of carers in trafficking issues. Poor risk assessment means that children are often defined as trafficked only in retrospect, providing little opportunity for police investigation or for recovery of the child. A patchy police response and lack of clarity about a co-ordinated working group have resulted in a national deficit of support services for children who may have been trafficked.

Many local authorities feel inadequately resourced to meet the additional care needs that those children present. Although it is the responsibility of local authorities, there is currently a lack of safe and appropriate accommodation for trafficked children, as the hon. Member for Totnes mentioned. There are very few specialised services for trafficked children. The trafficking of children and young people is child abuse. Therefore I think that the responsibility for protecting children in the UK rests with the local safeguarding children boards, but clearly practice there must improve.

Experience brings improved practice, and practitioners' awareness of the indicators of trafficking is improved through their experience of working with cases. As practitioners deal with cases and face the problems presented, they begin to recognise indicators and emerging patterns. Lessons can be learned by referring to the practitioners engaged in the work and building those lessons into initiatives. We often refer to the need to see good practice spread.

The important point is that every child matters, including trafficked children and other very vulnerable children, and everyone should be working towards achieving for every child the five outcomes specified in the Every Child Matters programme.

The NSPCC report "Breaking the wall of silence" focuses on the need for improved and more structured practices between agencies: police, health, social services and immigration. The role of LSCBs in facilitating multidisciplinary agencies must be strengthened and good practice learned. The overriding feature is that the safety and welfare of trafficked children should come above their immigration status.

At the time of a 2007 report, no national data were collected by the Department for Children, Schools and Families on runaway and missing children. Around the time of the report, a welcome announcement was made that children missing from home and care would be included as a national framework performance indicator for local authorities. That shows that raising issues continually at least gets them on the radar, but I wonder whether that is enough.

In September 2001, we needed a national plan to safeguard children from commercial and sexual exploitation. Have we made progress over time? Certainly a new report is needed in respect of changes in society, the growth of use of the internet, as has been said, and new structures in local authorities, but we have had so much guidance and so many documents. Do they really make a difference?

I have to confess that I have only skimmed at high speed through the Government's guidance. There were bits that I related to and thought were excellent—for example,

"every LSCB should assume that sexual exploitation occurs within its area unless there is clear evidence to the contrary."

That is an excellent starting point. I was recently at a conference about trafficking in Dorset. The local Soroptimists were highlighting the purple teardrop campaign, and there was amazement that there might be trafficked women in Dorset. We are so unaware of what is going on, and that is why it is important that we start with that premise.

The report states that LSCBs should

"put in place systems to monitor prevalence and responses to child sexual exploitation".

What monitoring will the Department do as a consequence of the guidance being put in place? We need a report on progress right across the board, because time is ticking on. Just producing papers and books of guidance year after year is not enough. This must not be just a paper exercise. I share the hon. Gentleman's concerns about cuts in funding to some important organisations, and I hope that the Minister will address that point.

Finally, something that I have been involved with throughout my time in Parliament is a campaign for making therapeutic treatment available to all children who have been abused. Provision is patchy across the country. As much as we are doing to safeguard children,

[Annette Brooke]

we will not stamp out child abuse unless we provide therapeutic treatment, which is vital to breaking the cycle. Sadly, many abused children go on to exploit others in their adult life.

11.48 am

Tim Loughton (East Worthing and Shoreham) (Con): I congratulate my hon. Friend the Member for Totnes (Mr. Steen), who has enormous expertise in this area and has campaigned on it for many years. It is unfortunate that there are not more hon. Members here today, because this important subject affects all our constituencies. I know that there are trafficked women in Worthing in my constituency, and the hon. Member for Mid-Dorset and North Poole (Annette Brooke) admitted that there are some in Dorset. Exploitation happens everywhere, and often in the most unexpected places.

I welcome the Minister, who is new to the children's brief. This is an example of where joined-up thinking and action under the remit of the Department for Children, Schools and Families is absolutely key. It needs to work with all kinds of other agencies and colleagues at the Home Office and elsewhere to bring joined-up solutions to this ongoing and, perhaps, worsening problem.

My hon. Friend the Member for Totnes gave a comprehensive tour d'horizon of sexual exploitation of children in all kinds of areas, ending with trafficking, on which he has expertise. I recognise some of the domestic problems in broken families to which he alluded. The hon. Member for Mid-Dorset and North Poole mentioned the generational effect: children who have been sexually abused go on to have children who may suffer the same fate. That kind of vicious circle often exists.

The very alarming figures that my hon. Friend gave—that one in six children will experience sexual abuse—provide a serious wake-up call to everyone in our country. A third of all rapes are of children under the age of 16. We often demonise children as being responsible for crime, but we forget that they are the major victims of so much crime—rape being one of the more horrendous ones.

My hon. Friend made a good comparison when he described the trafficking of children as the new slave trade. He also made a good point about children being victims: they should not be criminalised for being forced into prostitution at sensitive young ages. We need better awareness and more specialist training—particularly among some of our professional staff, such as social workers. The General Social Care Council has made recommendations about how better to train social workers who work in child protection. Such social workers work with children at risk from sexual exploitation or from being trafficked and ending up in sexual exploitation in this country, as well as with those who are subject to child abuse.

My hon. Friend will know—because his wife was part of the commission on social workers, which I chaired on behalf of the Conservative party—that we have produced two reports since 2007, in which we discuss the need to make sure that we have a properly trained, motivated, reinvigorated and resourced social worker work force. Social workers work in very difficult, challenging and depressing areas—my hon. Friend has touched on several of those—and it is important that the responsibilities in relation to those are joined up. After baby P, we have heard a lot about child abuse at the hands of parents or carers. The figures are alarming: perhaps upwards of three children a week die as a result of abuse or neglect in the home. In addition, 389 young people have gone missing from care since 2000, which is probably a woeful underestimate of the actual figure. My hon. Friend referred to some cases in relation to that.

I shall refer to three areas: first, child abuse; secondly, abuse using the internet—what has been referred to as networked paedophiles; and thirdly, the subject of trafficking, which formed the major thrust of my hon. Friend's comments. We have heard the ghastly figures about child abuse and killings, but we need to appreciate that not enough people have been prosecuted: too many people have proceedings taken against them, but get off.

Let us consider some of the figures on the sexual assault of a male child aged under 13. In 2004, only 19 cases were brought under that charge, of which only four people were found guilty. That is a woefully low conviction rate. Those figures had improved. For example, in 2007, the figure had gone up to 81 cases proceeded with, among which half—41—had a verdict of guilty. In 2004, 45 proceedings were brought for rape or attempted rape of a child aged under 13, with only three successful convictions. Again, those figures have gone up—in 2007, the number was 142. We are getting better at detecting some such cases—perhaps because more people have come forward to report such crimes, which is progress—but still only 69 were found guilty, which is just over a third. The figures are similar for sexual assault of a female child aged under 13: back in 2004, proceedings were brought against 128 people, but only 29 were convicted. That figure had risen to 448 proceedings, of which 246 ended in a conviction—rather better progress.

Too many people are carrying on such activities under the radar and are not being detected. When they are detected, it is difficult to make charges stick. Too many of the perpetrators of such crimes are still on the loose and getting away with it—whether it be the abuse or, ultimately, the death of a child. There were serious flaws in the law about joint enterprise, although I am glad to say that the Government addressed them some years ago after a lot of campaigning by many hon. Members on both sides. As a result, both parents can now be prosecuted under the law on joint enterprise when it cannot be proved which parent struck the fatal blow. We have a long way to go to ensure that people are brought to justice and receive appropriate justice for the severity of their crimes.

The second issue that I want to touch on is that of sexual images on the internet and the obvious exploitation that that inevitably involves—every image that ends up on the internet does so because a child has been exploited somewhere down the line, somewhere in a foreign country, in some hidden room. A while ago, I spent a depressing afternoon in the specialist unit at Scotland Yard, speaking to those whose highly depressing job it is to go through literally millions of images and films on seized hard drives. What struck me was how ingenious those who view the images are. Jim Gamble, the chief executive of the child exploitation and online protection centre, has referred to them as networked paedophiles. They are

enormously clever at being one step ahead of the authorities. They use technology ingeniously to carry on their sinister activities of swapping, accessing and subscribing to images of very young children and babies in highly distressing situations. They do that as if they were swapping cigarette cards or souvenirs. The lengths to which some people will go to secure such ghastly images, which represent the exploitation of young, vulnerable children at its worst, are extraordinary.

I have concerns about funding, which my hon. Friend also mentioned. It has been reported that thousands of cases of children who are portrayed in pornographic pictures and are at risk of abuse are not being investigated properly because of a cash crisis. CEOP is hailed as one of the leading child protection agencies in the world, but despite its excellent work, it faces something of a funding crisis. It had a three-year funding arrangement with Visa and the National Society for the Prevention of Cruelty to Children, which are to be congratulated on their support, and the Home Office has also contributed some money. None the less, the work load is so enormous that the funds are just not sufficient.

When I visited my sexual offences unit in Sussex, I was told that there was a limit on its funding. The unit needs a lot of resources just to get the appropriate equipment—as I said, the people involved in these crimes are very clever at hiding images. Then, however, it needs people who are properly trained and able to cope with that equipment.

The important point is that we will never prevent indecent images from being posted on the internet. One of the downsides of the internet is that we cannot closely regulate what happens on it. As we know, things can happen well beyond the geographical boundaries of the United Kingdom. The challenge is to cut off the tentacles, like those of an octopus, and to make it as difficult as possible for people to put images on the internet, to profit from them and to access them.

That is why the European Financial Coalition has been important. The EFC is an assembly of various firms—particularly those involved in finance—including MasterCard, Microsoft, PayPal, Visa Europe, and Allen and Overy. Using those various financial firms, CEOP can cut off some of the tentacles and make it more difficult for the money to flow where people are trying to gain commercial advantage from exploiting images.

Things have improved. As Jim Gamble has said,

> "Things have changed radically since the days of Operation Ore. Individual organisations, members of the financial sector and law enforcement agencies have worked hard to undermine the activities of those who sold images of child abuse as commodities. As a result, the organised crime element has diminished year on year as the risk increased and the profit reduced."

However, it is still going on far too much.

Mr. Steen: On internet images, the idea that we need to cut off the tentacles is all well and good, but this is a worldwide issue. If they are cut off here, they must also be cut off in Vietnam. Does my hon. Friend agree that it is no good Britain being jolly good at preventing traffickers and children from coming into this country when there is no Europe-wide and worldwide effort? It is no good saying that we are a wonderful island that does not let any traffickers in if they just go to Spain or Holland instead. Does he agree that we need a Europe-wide approach?

Tim Loughton: No, my hon. Friend was right earlier when he said that we need a worldwide approach. That is why I said that even if we are good at finding the people who are promoting this stuff and posting it on the internet in this country, a lot of such activity is happening in Alaska, Florida, Russia and assorted Pacific islands that are not properly regulated. That is why I refer to the problem as an octopus. We can never clamp down on it altogether because the internet has become such a global phenomenon that it will not disappear overnight.

[MR. ERIC ILLSLEY *in the Chair*]

We must make it as difficult as possible for the perpetrators to access the practical means of placing images, accessing them and profiting from them. There has been some success in that. However, we will be successful only if the UK authorities co-operate with European authorities, which is why I mentioned the EFC, and with authorities overseas, not least in America. To a certain extent, Americans have a constitutional right to post obscene images on the internet, and that causes a serious problem. That is why some states have not proceeded against people as forcefully as they might have.

I will end on the subject of trafficking. I know the problem well because Gatwick airport is in my Worthing constituency and in West Sussex local authority. Some years ago, I led a debate in this Chamber on the problem of girls being trafficked from western Africa, mostly from Nigeria and Sierra Leone. They were coming to Gatwick airport as unaccompanied asylum seekers under dubious and frightening circumstances. They had been taken from their parents, many of whom had been offered money. In some cases, the girls had been threatened with voodoo curses in frightening circumstances.

When the girls turned up at Gatwick airport, they were taken into the care of West Sussex social services and were placed in foster care, which turned out not to be secure enough. Quite often, the pimps would appear in the middle of the night and abduct the girls under the threat that, if they did not comply, a voodoo curse would come down on them or that something terrible would happen to their parents. They would then be trafficked across the channel. Many ended up in northern Italy as prostitutes in places such as Milan. There was a television documentary on the issue. There was a concerted co-ordination of children's services and immigration authorities to clamp down on the problem. To an extent, it has worked, but I fear that it has merely shifted the problem to other places.

Trafficking is an enormous problem. As my hon. Friend said, it is big business. The United Nations estimates that child trafficking generates $7 billion to $10 billion annually. Human trafficking is estimated to generate upwards of $30 billion annually. It is cited as the second most lucrative crime after the drugs trade. I think that it has leapfrogged the arms trade. Of all trafficking victims, 30 per cent. are below the age of 18. Child trafficking is increasing dramatically with between 1.2 million and 2 million children being trafficked each year. It is estimated that more than 10 million children are sexually exploited each year. That is a huge problem.

I will conclude with the example of the World cup and sporting events, which the Minister may wish to comment on. I am sure that she is or soon will be involved in that area of inquiry. There is good evidence

[Tim Loughton]

that child trafficking for the sex trade increases with international sporting events. In 2008, the sex trade in Switzerland increased enormously; it has been estimated that up to 3,000 women were sold into the sex trade and smuggled into the country. Of course the World cup next year will be in South Africa, where an estimated 30,000 children are enslaved in prostitution, many of them refugees from Zimbabwe. They come across a porous border, where a substantial part of the population of Zimbabwe live as refugees on very little money, finding a crust where they can. The hon. Member for Castle Point (Bob Spink) and I were in Mozambique two years ago, where we saw the same thing happening because of the situation in that part of Africa. There were huge numbers of refugees, and children were subjected to horrible exploitation.

South Africa does not have comprehensive legislation to deal with human trafficking, and last year the US Department of State put South Africa on the tier 2 watch list for the fourth consecutive year, because of its failure to meet the minimum standards for eliminating trafficking, with respect to prosecutions and so on. There exists a powerful lobby representing a minority of South Africans pushing for the decriminalisation of prostitution before 2010. That is very worrying, and in the interest of joined-up working and recognising that the trade is international, I am sure that the Minister, working with her colleagues in the Department for Culture, Media and Sport and the Home Office, will want to liaise with authorities in the sporting world and South Africa, to ensure that the disasters that happened in Switzerland will not be repeated in South Africa on what could, I fear, be a much bigger scale.

There are big challenges ahead. The hon. Member for Mid-Dorset and North Poole mentioned private fostering. We shall continue to mention private fostering. I have mentioned it with reference to every measure on which I have led for the Opposition since the Adoption and Children Act 2002, and I still fail to see why the Government do not get it. Private fostering is in too many cases a cover for the exploitation of children who have been trafficked, who end up being abused sexually or in other ways. That has been found in several high-profile cases. I hope that the new Minister will take a fresh look at why private fostering has not been dealt with. A proper registration scheme could be introduced to deal with the situation effectively.

We need to work more closely with the home countries of many of the children, not least in west Africa. We should work with children's services departments there to make sure that children do not leave in the hope of a better life or in fear of worse things happening to them and that circumstances will be suitable to enable them to stay with their families and be looked after properly. That is why international co-operation between social services and children's services is crucial.

Barnardo's and other voluntary agencies do excellent work. Barnardo's is working on a report on the costs of sexual exploitation. It will expose the high costs to society of that exploitation and the serious consequences for the children and young people who are its victims.

Recently, the Under-Secretary of State for the Home Department, the hon. Member for Tynemouth (Mr. Campbell), rightly said:

> "We remain committed to tackling this appalling crime by making the UK a hostile environment for traffickers, disrupting their organisations and their activities and bringing as many as possible to justice."

I think that we would all say "Hear, hear" to that. I hope that the new Minister will be resolute in her intentions and ambitions to work with all the other agencies, countries and Departments that can tackle head on the cancer of the sexual exploitation and trafficking of vulnerable children.

12.9 pm

The Minister for Children (Dawn Primarolo): I congratulate the hon. Member for Totnes (Mr. Steen) on securing the debate. I did not agree with the beginning of his contribution, when he painted a picture of despair generally for children in British society. However, rather than engage with him on that—I am sure that I shall have future opportunities to do so—I want to go to the heart of his contribution and those made by the hon. Members for Mid-Dorset and North Poole (Annette Brooke) and for East Worthing and Shoreham (Tim Loughton). It is clear that the issues transcend the normal political banter and debate that often characterise much of our proceedings.

As the hon. Member for Totnes said, sexual exploitation of children is, regrettably, not new, and its development into a global phenomenon with trafficking is a worrying extension. As the hon. Member for East Worthing and Shoreham said, we are becoming much better at identification, although there is still a long way to go in connecting that with prosecution.

Many important points have been made, and I am grateful to the hon. Member for Mid-Dorset and North Poole for acknowledging the importance of the new guidance and the presumption requirement in that guidance. Partnership and appropriately trained staff, working together across all the boundaries, are crucial to responding to the challenge.

The hon. Member for Totnes is a tireless campaigner against the sexual exploitation and trafficking of children, and has enormous expertise in and understanding of the matter. As a new Minister in this area, I listened carefully to the passion with which he addressed it. I am sure that he agrees that the Government have tried to make progress by recognising that the first priority must be to keep all children in this country safe.

Safeguarding the needs of exploited children is vital, but that requires us to ensure, as the hon. Gentleman rightly said, that agencies work together to protect them. He knows that the Government have set out how that should happen in guidance, "Working Together to Safeguard Children", to which he referred, and in supplementary guidance, "Safeguarding Children and Young People from Sexual Exploitation", which was published this month and builds on that work. As the hon. Member for Mid-Dorset and North Poole said, it is intended that the guidance will help local agencies to ensure that they work together on the matters addressed by the hon. Gentleman and to develop local prevention strategies, to identify vulnerable young people who may be at risk of sexual exploitation, to take action to safeguard children who may be sexually exploited and to take action against anyone who is intent on abusing young people.

The hon. Member for East Worthing and Shoreham touched on the challenging dimension of the internet: communication and grooming and the circulation for profit or otherwise of images. Collecting evidence to ensure prosecution is challenging, and I agree that, whenever possible, we need a global response, but cutting off tentacles whenever we can must be an important part of our strategy. The guidance ensures that local authorities and the police have a statutory duty to work with local safeguarding children's boards, practitioners and others working with young people. That is precisely the point that the hon. Member for Totnes was making. It is about bringing together that expertise, so that, with the added value, we can take forward the tasks that have been identified. From everything that the Government have undertaken, it is clear that they believe that the exploitation of children should not be regarded as a criminal act by the children or young people. They are the victims of the crime and not the perpetrators.

I listened very carefully to the point that the hon. Gentleman and others made about the age of 10. I have examined the Government's response on that matter with regard to the importance of maintaining the current law and the necessity of providing, in exceptional circumstances, police intervention to protect the child. I do not have an answer right now, and I do not think that he does either. He outlined his objective, but we need to define how, practically, we can deliver it. I am more than happy to meet him to explore the true challenges in getting that balance right. We do not disagree about the objective, but there are differing expert views on the best way to deliver it.

Mr. Steen: I want to leave the Minister with this thought. The young people who are found running cannabis factories all over Britain—they are often and mostly from Vietnam—are charged with criminal offences even though they are usually children. That is where the problem started, and it has continued that way. We need to examine the work of the Crown Prosecution Service, because as long as it goes on prosecuting children for an offence of which they are victims rather than perpetrators, the problem will not go away. I am very happy to engage in dialogue with the Minister, and I have lots of examples to give to her.

Dawn Primarolo: We would all agree that this challenge will not go away and that it is not a simple problem for which there are simple answers. Since 1997, the Government have been determined to address the very complex challenges of sexual exploitation. We must consider what we do when such challenges come from within a family or are posed by a known family friend or associate. Social workers have to strike a very delicate balance between keeping children with their families, or, as the hon. Gentleman says, taking them into care. What are the protections there? The problem is a global evil. He and other hon. Members are right when they say that we need a much wider response. It is important that we correctly balance the mechanisms in the UK. We must recognise that we still have a long way to go. I will not stand here and say that the problem is all sorted, because, patently, it is not. Complex personal and interpersonal relationships exist within families. Moreover, we must consider why and how a young child comes to be trafficked to the UK and what we should do then.

Early identification is key to protecting vulnerable children. As the hon. Gentleman and others said, the Department must work closely across Government and with local government and those responsible for delivering the services to develop clear help and support to the front-line staff who can take the work forward. The hon. Gentleman said that the national referral mechanism enables us not only to do that but to collect the important information that is necessary.

The hon. Gentleman mentioned foster carers and the need for diversity. I also heard what the hon. Member for East Worthing and Shoreham said about private foster care, but I shall take that away with me. Local authorities are required to ensure that they have the necessary number of carers, including from minority ethnic groups, to meet the local need.

The hon. Member for Totnes touched on Heathrow and the report in *The Guardian*—that was truly worrying, but it is now being investigated—but Hillingdon council, for example, is trying very hard to recruit foster parents from its Chinese community, for precisely the reasons that he mentioned.

The hon. Gentleman and the hon. Member for Mid-Dorset and North Poole spoke about the removal of children from the UK. I am sure that they know already that no child can be removed from the country until they reach the age of 18, when a decision will be taken on their asylum. However, I take the hon. Gentleman's point about the careful consideration of young people's needs when they reach the age of 18. He also mentioned the question of age determination and the problems of documentation being destroyed and of people trying to get young people into the country. Ultimately, children's services child protection officers must make the sometimes very difficult decision about a child's age.

What happens to those young children is crucial. When they enter this country, they must feel that they are in a safe, secure and protected environment. That must be achieved as quickly as possible, for all the reasons that the hon. Gentleman mentioned—the pressure to run away from protection, for instance. They will need intensive, one-to-one support and perhaps translation services. We must also work to ensure that they—and their families back in their original homes—are protected. He is right about that. We must strike a difficult balance between not locking them up—that will hardly build up the trust and feelings of safety required to make progress—and protecting them from falling prey to the people who trafficked them.

The hon. Gentleman's point about guardians ad litem has been made before, but the case remains to be made for why such guardians would make a difference, given that social work and key personnel advisers are already in place to support these young people.

The hon. Member for East Worthing and Shoreham referred to Gatwick, which, along with Heathrow, is an example of the type of intensive work that we are trying to draw together. Considerable progress has been made over the past 12 months, but much remains to be done. As far as we can tell, from what we have seen over the past 12 months, including the increasing amount of data collected through the referral mechanism, very few young people have disappeared from care. However, we are trying, with all our energies, to find those who have disappeared. I am sure that hon. Members will not pretend for a minute that, for whatever reason, no

[Dawn Primarolo]

young people will run away from the place of safety that we feel would serve their best interests, but we must ensure that it is a rare occurrence.

The question of trafficked young people must be set in the context of the wider agenda. We must be more prepared to discuss the domestic violence, sexual abuse and exploitation that we see across society. As I told the hon. Member for Totnes, I do not agree with the picture of despair that he paints, but I appreciate people's reluctance to talk about relationships and appropriate behaviours and how we should deal with the problem.

I had the privilege yesterday of meeting some young men and women from Barnardo's, who had been brought to the House to discuss with me what it was like for them as children to be part of a family where there was domestic violence and abuse. We also spoke about what we needed to do, as well as working with young children intensively, to ensure better relationships; we said that education should give them a better and frank understanding of what is wrong or inappropriate behaviour. Indeed, as the hon. Gentleman said, great steps have been made by the Government in arranging sexual assault referral centres and the work now being done on the training of personnel.

The hon. Member for East Worthing and Shoreham raised the question of the trafficking that can result from large international events and the particular vulnerabilities in South Africa, as we move towards the World cup. He will be aware of this, so I shall not recite it, but we protect those of our citizens who go elsewhere. Trafficking is still an offence here, whether or not it is an offence in the country where it is committed, and we will prosecute on the evidence.

The hon. Gentleman raised another important point, and I want to give him a modicum of reassurance. It is important at all such events—the World cup is a classic example—that Governments speak to one another about our experience and the types of support that we offer, to ensure that young people in particular, but also women in general, are protected. We should not leave unchallenged the clear profit that traffickers seek to make at such events. I shall certainly continue to take that forward.

This has been an important debate, and as the new Minister, I am grateful to the hon. Member for Totnes; it is an extremely quick way of getting a full idea of the breadth of issues on the subject. I absolutely take the point made by the hon. Member for East Worthing and Shoreham about the challenge of working across government on the matter. I say to him and to the hon. Member for Mid-Dorset and North Poole that this is not an issue that I shall have to deal with on my own. I will of course be accountable for Government action, but Ministers working together will set the correct standard of debate in this country and help us to achieve the objectives that the hon. Member for Totnes seeks.

Child exploitation and sexual abuse are always unacceptable. We will pursue the issue. We will protect those children. We will prosecute whenever we can. We will step up to the plate and do our duty, seeking a global response to the trafficking of young children and women around the world—and to those who seek to make a profit from them.

Pembrokeshire (Royal Mail Database)

12.30 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am grateful that I have secured this short debate on a subject that has fallen on my desk regularly in the past five years: Royal Mail's ongoing refusal to recognise the county of Pembrokeshire in its postcode address file, which is the key database that underpins the national postal system. Some of my constituents are merely puzzled about why their county name appears incorrectly on much of the mail coming through their letterboxes, while others find that quite offensive. In Pembrokeshire, there is a widespread and deep attachment to the county's name, history and culture, which is becoming quite rare in modern Britain. Pembrokeshire is so much more than a place name; it carries with it a particular identity and a wonderful heritage. For local people to continue to receive mail that is incorrectly marked with the county name Dyfed—the old county name, which disappeared 13 years ago—is both annoying and demeaning.

Mark Williams (Ceredigion) (LD): I assure the hon. Gentleman that the concerns he is expressing on behalf of the people of Preseli Pembrokeshire are shared by my constituents north of the River Dyfi in Ceredigion. It is not north or west Dyfed, or part of north-west Dyfed, but Ceredigion. My constituents cannot believe that we are still in the same situation 13 years after the end of Dyfed, when people made a conscious decision to call the area Ceredigion.

Mr. Crabb: The hon. Gentleman fights like a tiger for his constituency and makes his point very well. Not only Pembrokeshire is affected. Two other old counties—Carmarthenshire and Cardiganshire, which is now Ceredigion—were affected by the abolition of Dyfed and suffer because of the usage of the old county name on the Royal Mail database.

Other people in my constituency, especially those who run small businesses, find that the incorrect Royal Mail database creates practical problems and gets in the way of effective listing and marketing. I have corresponded about that matter with the chief executive of Royal Mail and Ministers, unfortunately without making much progress. The purpose of the debate is to find out whether we can, at long last, achieve a solution, and whether I can convince the Minister to recognise the strength of feeling in Pembrokeshire and persuade him to take up the matter more directly with Royal Mail so that it can be resolved once and for all. I recognise that this is by no means the most important or pressing issue facing Royal Mail in 2009, but the fact that it maintains an incorrect, out-of-date database should be a cause of embarrassment and ought to be remedied.

It is tempting to think that the issue goes back only 13 years to 1996, when the old administrative county of Dyfed, which covered a large area of west Wales comprising Carmarthenshire, Cardiganshire and Pembrokeshire, disappeared as an entity. The Local Government (Wales) Act 1994 abolished Dyfed as a local authority and it became a so-called preserved county for the ceremonial purposes of lieutenancy and shrievalty. Statutes such as the Sheriffs Act 1887 and the Defence Act 1842 were

duly amended to take account of the preserved county status, but for administrative, political and many other purposes, Dyfed ceased to have any meaning whatever. The restoration of the county of Pembrokeshire as a unitary local authority in 1996 was a proud moment for the people of the county. It followed many years of campaigning by local people who never really felt comfortable as part of Dyfed.

The key complaint is that since 1996 and the great reorganisation of local government, Royal Mail has continued to maintain a database that uses Dyfed as the county name for postcodes associated with the old county. However, the issue goes back 35 years to the creation of Dyfed by the Local Government Act 1972. A great many people who were active on the issue at that time understood that the creation of Dyfed as a local authority area should have no real impact on the addresses used in the old three counties' areas that were amalgamated by the reorganisation. At the time, many were led to believe that just as Middlesex would continue to be used by Royal Mail long after the London Government Act 1963 abolished the administrative county of Middlesex, Pembrokeshire would be retained for postal address purposes, even after it was subsumed within the new county of Dyfed under the 1972 Act.

At this point, I should pay tribute to the work of Councillor Peter Stock, an independent Pembrokeshire county councillor and a former mayor of my hometown of Haverfordwest—the county town of Pembrokeshire—who has worked harder on this issue than anyone I know. He has fought tirelessly for his community—not just for Pembrokeshire's symbols and identity, but for real public services, which have taken a hammering over the decades as the juggernaut of Government centralisation has rolled through west Wales. Councillor Stock is typical of many people in Pembrokeshire who have a huge affection and loyalty for our county.

The county of Pembrokeshire is an ancient one. It was first formed as a territorial entity in 1138 and its historical significance stretches back almost 900 years. It is home to 200 miles of the UK's most spectacular coastline, which is now part of the Pembrokeshire Coast national park. It is the birthplace of the most important royal dynasty that this country has enjoyed—the turbulent but talented family of the Tudors, who transformed this nation. Henry Tudor, who later became Henry VII, was born in Pembroke castle in January 1457.

It might interest the Minister to know that Pembrokeshire has its own flag: the gold cross of St. David on a blue background with the Tudor rose at its centre. St. David was a hugely important figure in the early Welsh and English Church and established the outstandingly beautiful city and cathedral that now bear his name in north-west Pembrokeshire.

Pembrokeshire's history, culture, symbols and beauty mean that Pembrokeshire people are rightly proud of their county—it is unique. However, on 1 April 1974, it was amalgamated, along with Cardiganshire and Carmarthenshire, into the newly created super-county of Dyfed, where it remained until 1996, when Dyfed was broken up into three counties.

Thirteen years later, Royal Mail has still not caught up. The postcode address file still bears no mention of Pembrokeshire or, for that matter, of Cardiganshire—Ceredigion as it is now known—and Carmarthenshire. Instead, a quick search of the database shows that, according to Royal Mail, Dyfed is still the administrative county, more then 13 years after the change.

Since I was elected in 2005, numerous constituents and representatives of local businesses have raised this issue time and again. What is involved is not just the important issue of civic pride, which we should not underestimate, but the practical day-to-day consequences for many of my constituents, who face difficulty in getting their addresses properly recognised.

The postcode address file is the most widely used and widely available source of all UK addresses. It is used in the public and private sectors. It is widely used as a tool for geographical referencing. It is the formal database on which Google mapping is based. It is a crucial device in direct marketing. It provides postcodes for satellite navigation systems and it underpins the system that ensures the daily delivery of 80 million or so letters and other items every day. We should make no mistake about it—this is a serious issue.

Only yesterday, I spoke to the chairman of the Federation of Small Businesses in Pembrokeshire, Stephen Cole, who described some of the difficulties that the database creates. He said:

"The issue regarding the Post Office's continued use of the name of Dyfed rather than Pembrokeshire, is causing great confusion to our members and to their suppliers, especially where the exact address details are required."

He gave the example of a small business applying for a trade business credit account. The small business will supply its own correct Pembrokeshire address only to be contacted later by the accounts section, which will ask why it used Pembrokeshire when the Post Office database says Dyfed. That wastes a lot of time and effort. This unnecessary hassle arises from Royal Mail's refusal to recognise the county of Pembrokeshire.

Mark Williams: The hon. Gentleman has taken us on an historical journey. Does he acknowledge that although there could have been legitimate concern and confusion at the time of the change, particularly among small businesses, some 13 years on—that is the crucial point—most of that will have dissipated? That is why it is important that the Post Office looks at the matter again.

Mr. Crabb: The hon. Gentleman expresses the point extremely well. There is no excuse for us still to be discussing this issue in 2009—it should have been sorted out long ago.

Another problem arises in the tourism sector. As I said, Pembrokeshire is well known for its outstanding natural beauty, and it attracts many tourists from across the United Kingdom, as well as from other countries. A significant number of tourism websites use the Royal Mail postal address file as their database. Therefore those websites still use the former county of Dyfed in their search facilities. Holidaymakers who use the websites and search for Pembrokeshire might not be able to find exactly what they are looking for. Perhaps they are unaware that Pembrokeshire was formerly part of Dyfed. If they do not readily find what they are looking for, they could, at worst, take their business elsewhere. That would be an injustice arising from an inaccuracy in the database that could easily be rectified.

My constituent, Robert Smith, runs a bed and breakfast in Fishguard, which is a beautiful harbour town and home to an excellent ferry service to Rosslare in Ireland.

[Mr. Crabb]

Just a few weeks ago, he told me that many of the websites that he uses to advertise his holiday rental accommodation use the Royal Mail database and thus have Dyfed listed as the area. He argues that that is very confusing for potential customers, particularly those from overseas. He now does not even bother to advertise on some websites because he knows what confusion would be caused. Mr. Smith has been told that he can contact the companies operating the websites if he wishes the database to be changed, but how demeaning it is for Pembrokeshire people, or people from Ceredigion represented by the hon. Member for Ceredigion (Mark Williams), to have to take the time and trouble politely to ask large companies using the postal address file database to change the reference from Dyfed to Pembrokeshire. In 2009, we should not have to do that.

Whether they concern civic and local pride or the costs and burdens on small Pembrokeshire businesses, the arguments for a change in the database are overwhelming. However, the response from Royal Mail has been disappointing so far. After writing to it on more than one occasion, I received a reply offering its position on the matter. It claims that its database is simply a set of routeing instructions, with the emphasis being on enabling Royal Mail to provide the most efficient service possible, rather than reflecting geographical location. It also claims that the county name does not form part of the postal address and is on the database only because external users of the database objected to its complete removal on the basis that that would make address matching more difficult.

I understand Royal Mail's position, but I do not accept it. It may well be that, for Royal Mail alone, the main aim is to provide the most efficient postal service. However, by commercialising its database and selling it on at a profit for external companies to use for different purposes, Royal Mail places on itself a burden of responsibility. It is irresponsible and short-sighted for it not to accept responsibility for what third parties may do with the database. It has an overarching duty to act in the public interest. It should recognise the ways in which third parties may use the database and amend it accordingly to ensure that it reflects accurate place names in 2009.

I recognise, as I said, that many significant problems and challenges face Royal Mail at present, and this is perhaps not one of the most pressing. However, it does not require a long, expensive solution. There is surely an easy fix that could quickly resolve the issues that we have been discussing. There is a precedent for action. I understand that in 2007, after a long struggle, Royal Mail agreed to create a postal county of Rutland. I strongly urge the Minister to encourage it to do the same in this regard and finally recognise the great county of Pembrokeshire on its database. The continued refusals to recognise Pembrokeshire can only do harm and cause more confusion. It is an easy thing to rectify, and rectifying it would yield great results.

The Minister has a reputation for being a good Minister—I genuinely mean that. He could have a reputation, after today, for being a truly great Minister as far as the people of Pembroke shire are concerned. Will he, on behalf of me and my constituents in Pembrokeshire, approach Royal Mail and help it to give us our county back?

12.43 pm

The Minister for Business, Innovation and Skills (Mr. Pat McFadden): It is a pleasure to serve under your chairmanship, Mr. Illsley. I congratulate the hon. Member for Preseli Pembrokeshire (Mr. Crabb) on securing the debate. He should not be too apologetic in saying that this may not be the most urgent issue. It might be fair of him to say that, but my predecessor before I came into the House taught me something, which is, "If it's important to your constituents, it's important to you as the MP," so it is entirely fair to raise these issues. I appreciate completely the passion that he showed for the county of Pembrokeshire. He is fortunate to represent one of the most beautiful parts of the United Kingdom. I have visited it many times and have had many an enjoyable lunch in Fishguard. There is a Celtic magic about Pembrokeshire that touches every visitor. I appreciate well the fondness that he has for his constituency and the county.

The hon. Gentleman asks a number of significant questions. One issue I must confront at the outset is the role of Ministers in telling Royal Mail what to do—if I can put it in its most colloquial way. On what he said about the urgent issues facing Royal Mail, after being involved with such matters for a couple of years, my reflection is that perhaps that organisation has suffered from too much rather than too little political interference from Ministers over the years. It has been part of Royal Mail's history that what it does is often second guessed by politicians—often for laudable reasons—but we should get away from that rather than do more of it. Such an approach is in the interests of our constituents for the necessary modernisation of Royal Mail.

Let me return to the issue before us: the postcode address file, its purposes and so on. Royal Mail delivers around 80 million postal items every day to businesses and residential addresses throughout the UK. Unfortunately, as technology changes, the amount of mail is declining, but dealing with it is still a substantial job, which involves more than 28 million addresses. As I said, I understand that community, identity and affinity with place are all things about which people care deeply. However, as the hon. Gentleman said, the purpose of the postcode address file is the delivery of mail.

The critical point of the debate is to establish the purpose of the postcode address file. A postal address can be made up of a number of elements—the name of the addressee, the name of the company or organisation, the number of the building and so on—but the critical part is the postcode. County information—whether it is Pembrokeshire or Dyfed—is not a required part of the postal address. The issue comes up time after time with regard to Royal Mail when, for example, people want their postcode changed for house insurance purposes because postcodes can be used by insurance companies. The hon. Gentleman mentioned that postcode information is used in the tourism industry, but it is used in a number of industries. Although Royal Mail recognises that, it cannot change the postcode information on an ad hoc basis because of all those other uses. Royal Mail has to keep focused on the purpose of the postcode address file, which is the efficient delivery of mail. Whatever passions surround the issue, it is important to recognise that. Others may use the database, but its purpose is to ensure the efficient delivery of mail.

The allocation of a postcode is linked to Royal Mail's network of sorting and delivery offices. Postcodes were never intended to signify a geographically definitive address by local authority, other administrative boundary or community identity. I have had the same issue in my constituency. There was a reorganisation of local government in the black country in 1966, part of which was the incorporation of the town of Bilston into Wolverhampton. People in my constituency in Bilston still have as strong a sense of identity today as they had prior to 1966, but for administrative purposes they are part of the city of Wolverhampton—they have a Wolverhampton postcode and so on. I am sure there are other examples around the country about which we could say the same thing. I understand the issue, but the purpose of the postcode is to ensure the efficient delivery of mail; it is not designed to give us an absolutely accurate description of community identity.

Mr. Crabb: I am following the Minister's argument. However, surely the crucial difference with his example is that Wolverhampton still exists. The county of Dyfed does not exist in a meaningful sense at all and therefore it is entirely unhelpful to have it on the Royal Mail database.

Mr. McFadden: Let me come to the Royal Mail database because I think that the hon. Gentleman is talking about a slightly different thing from me. Delivery offices may be in different counties and so on. The postcode system was developed in the 1960s as a tool to help sort mail more efficiently. County names were dropped from essential information in 1996, when the Conservative party was in power. That is the root of the issue, because from that day—it is not just about Dyfed or Pembrokeshire; I suspect that other places are similarly affected—Royal Mail has not used the county name as an essential part of a postal address. There is nothing to prevent someone from using it in the address if they wish, but it is not essential for mail delivery. The postcode system has been very successful and serves its essential purpose well. Routes taken by postmen across the country are devised on the basis of the postcode address file.

Can the situation be changed, or is it set in stone for ever and a day? The system can be changed. I have a suggestion that I hope will be constructive. In December 2001, Postcomm, the industry regulator, issued a consultation document seeking views on a code of practice to govern changes to Royal Mail's postcode address file. The code of practice was issued in March 2002 and was subject to a further review on its working a year later.

In March 2004, Postcomm published its review, in which the code of practice was further amended to account for things such as customer-initiated changes to locality information. I understand that in recent months, Royal Mail, Postcomm and Consumer Focus, which took over Postwatch's job, have been revisiting the code's operation. They are considering what further changes are required to clarify the code of practice and bring it up to date. Royal Mail does not believe that significant changes are required. I am not saying that there will be extensive changes to postcode information—as I said, the system works pretty well—but Royal Mail believes that the code of practice would benefit from being clearer in a number of ways. One area not currently covered by the code of practice is county information, because county information is not required for postal purposes. The county does not form part of an official postal address, and changes to it are therefore not covered by the code of practice on changes to the postcode address file.

The name "Dyfed" appears because the database still lists historical county details for customer reference. Those can include the formal postal county, the traditional county, the administrative county and so on. It is what is called an alias database, which can be used by third parties, but because Royal Mail does not use that information itself, it has not been changed since 1996.

I suggest that the hon. Gentleman takes part in the new consultation on the code of practice for changing the postcode address file. I do not promise that the county names will be changed in the way that he would like, but he is open to make that suggestion. I do not promise it because Royal Mail, understandably, focuses on the efficiency of mail delivery and does not see it as its purpose to consider every secondary use of the postcode address file for things such as insurance, tourism and the other examples that he mentioned.

Royal Mail acknowledges that county information is important to some customers and would like to find out more about the perceived importance of including it in postal addresses. That is why the issue is included in the current consultation on the code of practice. Along with other hon. Members, the hon. Gentleman has until 28 July to take part in the consultation that is being carried out by Postcomm. I encourage him to do so. It provides an opportunity to explore the relationship between Royal Mail's primary purpose for the postcode address file and the other purposes to which he referred.

In conclusion, the question before us is what is the job of the postcode address file. From the point of view of the hon. Gentleman and some of his constituents, its job is to define accurately the county of Pembrokeshire. However, Royal Mail has not used the county name since 1996. I understand from my constituency experience why that might cause frustration locally. I suggest that he takes part in the consultation and argues his corner on the use of county names. Royal Mail will then have to decide whether to change from using the postcode address file purely as a tool for the delivery of mail to using it for other purposes.

12.55 pm

Sitting suspended.

Fallen Stock (Isle of Wight)

1 pm

Mr. Andrew Turner (Isle of Wight) (Con): The important issue of the safe and legal disposal of fallen stock has concerned farmers in my constituency for at least four years. As the Minister will know, fallen stock—farm animals that have died of natural causes or been humanely shot or euthanised by a vet—must be disposed of safely. Since May 2003, under European Union law, it has been illegal for fallen stock to be buried or burnt in open spaces. The Department for Environment, Food and Rural Affairs website says that that is

"because of the risk of disease spread through groundwater or air pollution."

Carcases must be disposed of in ways approved of by DEFRA.

In most areas of the country farmers are well catered for by the national fallen stock scheme. It provides a reasonably priced, safe and efficient collection and disposal service for farmers. Disposal of a dead cow or bullock costs about £100 under the scheme. It has attracted considerable Government funding, which reduces the cost to farmers of complying with the EU directive. I do not want to stray far into the subject of EU legislation; that is rarely productive. However, the funding was not mere largesse from our Government. It is provided to comply with article 3 of the EU Animal By-products Regulations 1774/2002. The article puts an obligation on member states to ensure that adequate arrangements and infrastructure are in place, so farmers can comply with the law.

On the Isle of Wight, however, we do not have any approved facilities to deal with our fallen stock. The Isle of Wight hunt offered a service until March 2005 but withdrew from the scheme because its incinerator no longer met the animal by-product regulations. Following the hunt's decision in May 2005 the Isle of Wight council applied for derogation from the regulations, to permit on-farm burial. That was never formally approved by DEFRA. However, between March 2005 and January this year on-farm burial was taking place. It was illegal, but it happened with the approval of DEFRA. The problem was largely masked, as most adult bovine carcases were shipped to the mainland and disposed of free of charge. That was under the compulsory testing scheme for transmissible spongiform encephalopathies, a family of diseases that includes bovine spongiform encephalopathy and scrapie. However, that scheme was due to end in January and it was clear that island farmers faced a real problem. Matt Legge of the island's National Farmers Union had been keeping me informed of the situation.

I raised the issue on 18 December during the debate on the Christmas Adjournment. I pointed out that island farmers wanted to comply with the law but that there was no infrastructure that enabled them to do so—no incinerator or alternative facility. The only option would be for carcases to be shipped to the mainland. There is such a service, operated by David Biles, but it is a commercial service, which costs £450 per carcase. That is not an option for the majority of farmers. Indeed, just a few animal fatalities could put a small farm out of business. The problems were recognised by the Minister's predecessor, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), when she wrote to me on 3 April confirming that island farmers need a

"comprehensive and reasonably priced collection and disposal service".

On 23 January, I had a further meeting with Matt Legge, Laurie Calloway, county chairman of the NFU, and James Mulleneux, regional policy adviser of the NFU. They said that they could see no real progress towards a long-term solution. They felt that matters were about to be brought to a head only because two livestock farmers from Godshill, Paul and Sue Brownrigg, were being prosecuted under the Animal By-Products Regulations 2005. The whole sorry saga came to a dramatic conclusion on 22 April when the judge found that Mr. and Mrs. Brownrigg were caught between DEFRA's unofficial derogation and the law.

Judge Graham White threw out the case, having accepted the argument put forward by the Brownrigg's defence lawyer, Mr. Russell Reeves, that the state has a positive legal duty to provide infrastructure to enable farmers to comply with the law. To prosecute them for not obeying the law, when to do so was near impossible, was manifestly unjust and an abuse of the process. The judge described as a fudge the unofficial derogation between DEFRA and the Isle of Wight council since March 2005. That led to complete confusion. There was then a hiatus of three weeks when burial was completely banned on the island. Farmers were unable to get guidance on what should be done with their fallen stock.

Following the Brownrigg case and the disastrous gap, Ministers agreed to give the island a temporary derogation to continue burial from 2 May. On DEFRA's website, the decision was described as

"an interim measure only while work continues on developing a longer-term solution for disposal of fallen stock on the Island."

I am grateful to Ministers and officials who worked quickly to get the temporary derogation in place. However, the interim situation cannot be allowed to continue indefinitely. The regulations against animal burial are in place for good public health reasons. The exceptions, which allow for burial in remote, sparsely populated areas where there is little livestock, simply do not apply to the Isle of Wight. Exceptions may be appropriate for remote areas such as the Scottish highlands and islands and small islands such as Lundy and Bardsey, but the Isle of Wight is the most populous island in the UK, with a population of some 130,000, which doubles during the summer months.

A feasibility study commissioned by the NFU and the Isle of Wight council estimated that there were around 50,000 herd animals on the island. It also estimated that there were around 15 tonnes of fallen stock per week, which means that more than 750 tonnes have to be buried every year.

The watercourses on the island, in common with many other areas, are not accurately mapped. Some farmers simply cannot bury fallen stock on their own land and regulations forbid them from burying them on other people's land. I am sure that Ministers do not need me to spell out for them the dangers of allowing that situation to drag on for years. I would be grateful if the Minister spelled out clearly what has been done since March 2005, when the problem became apparent, towards achieving a viable, long-term solution. Even

more important, could he tell me what is being done now, and give me a firm timetable of what is to happen over the coming weeks and months? Without a clear timetable, I fear that this matter will drag on and on.

The lack of urgency in dealing with the issue is apparent in how correspondence is being dealt with. On 7 May, my assistant forwarded a legal opinion from Russell Reeves to DEFRA officials asking for their comments. On 19 June, I still had not received even an acknowledgement. I chased it up myself, to be told that a reply had been drafted but that it had been held up by ministerial changes. Thankfully and, I am sure, coincidentally, after this debate was announced, I received a response by e-mail yesterday, for which I thank the Minister.

Despite being new to his brief, the Minister clearly already understands some of the issues. Unfortunately, the potential for damage to public health will not wait for ministerial changes to bed in. As DEFRA's website explains, the degradation of BSE/TSE infectivity cannot be guaranteed by burial. Until a long-term solution is found, it is imperative that proper written guidance is sent out to farmers on what they should do with fallen livestock. Such information would help to protect the environment from inadequate burial practices, and farmers from inadvertently breaking the law. No one else should suffer as Mr. and Mrs. Brownrigg have.

I know that the Minister will agree that it is simply not good enough for the buck to be passed between DEFRA and the Isle of Wight trading standards department. Each body seems to agree that some guidance should be given out, but not by them. I would be grateful if he would promise to take the bull by the horns, so to speak, and sort out who should be issuing guidance. I would like him to ensure that all island livestock keepers receive some written guidance by, say, the end of next week. That would be a small but welcome practical outcome of this debate.

The NFU has been working hard on this issue on behalf of its members for years. I would like to pay tribute to it for that. However, it is frustrated, as it feels that it is little further forward now than it was in March 2005, more than four years ago. I know that the NFU would welcome some innovative thinking to find a viable solution. Perhaps a pilot project for biodigestion or some other method of disposal could be set up if an incinerator is not the right answer. Another possibility may be some kind of joint facility with St. Mary's hospital, which currently ships all clinical and hazardous waste off the island at considerable public expense.

Whatever the correct infrastructure solution is, the Government are under a clear obligation to act. We must start to see some progress soon. I promise that if my involvement would assist in any way, I will do all that I can to help bring about a successful outcome.

There is one other matter that I would like to touch on. My constituents Paul and Susan Brownrigg have suffered enormously as a result of the court case hanging over them for months before it was finally thrown out in April this year. The financial toll that it put them under was serious, but it is somewhat easier to quantify than the emotional and mental strain, and the impact on their family life. I would be grateful if the Minister would reflect on whether they are due an apology from DEFRA for its part in creating the situation in which they found themselves.

It would be a worthwhile legacy if the Minister, however long he may be in post, were able to look back on one of his achievements as finding a solution to the long-standing problem of the disposal of fallen stock on the Isle of Wight.

1.13 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): I congratulate the hon. Member for Isle of Wight (Mr. Turner) on securing this debate on an important health issue. I thank him for his clear and concise explanation of the problems, and for meeting the challenge of reading out some difficult words, which I hopefully will avoid myself.

In recognition of the recent court judgment stating that burial on the Isle of Wight is illegal, the Government have in fact moved quickly to amend domestic legislation to legalise burial on the island so that farmers can continue to have the viable route of burial to dispose of their fallen stock. This is not just an opinion coming from me or my officials; it comes from the NFU. I have an e-mail from Richard Macdonald, the director general, who thanks one of my officials and the team—John Bourne, et al—for their speedy and excellent help in getting the Isle of Wight animal burial situation resolved so quickly. He said that it was much appreciated and needed, and that he would be grateful if thanks would go to all concerned. I hope that the hon. Gentleman will recognise that some good work has been done by DEFRA and others to try to find a solution to this challenging problem.

The Government have formalised the pragmatic arrangements that have been in place for the past four years—I recognise completely the description that the hon. Gentleman has given and doubtless it has been a challenging situation. Those pragmatic arrangements are intended to ease the burden on the industry caused by a lack of approved disposal outlets on the island. They were put in place with the full agreement of all parties concerned including, obviously, the Government, and the Isle of Wight council and the industry.

As required by EU law, DEFRA has notified the EU Commission of its decision to designate the Isle of Wight as a remote area in order to permit burial. To date, no negative response has been received from the Commission. I do not accept the hon. Gentleman's point that it is inappropriate to designate the Isle of Wight as a remote area. A case could be made by comparing it with more remote places, but most people living on the mainland would think the Isle of Wight is pretty remote. Some of my family lived there, so I know from experience that it is not unknown for ferries and other forms of transport to be delayed or postponed, sometimes for days in extremis. The case that DEFRA has made that the island is remote stands up to factual scrutiny, and we may have to disagree about it.

The amendment to domestic legislation will remain under review and DEFRA will continue to work closely with the local authority, the Environment Agency, the Rural Development Commission, farming unions and local collectors to ensure a longer-term solution—other than burial—for disposal of fallen stock on the island. To that end, the Isle of Wight Economic Partnership has invited proposals for disposal of fallen stock on the

[Dan Norris]

island, as the hon. Gentleman will know, which include the possibility of an on-island incinerator. It recently made an assessment of expressions of interest. DEFRA officials are being consulted on the process and will do all that they can to ensure that the process has a positive outcome. I made a note of the other suggestions that the hon. Gentleman made, because a good pot of possible solutions is welcome as we move through the process.

The Government agree that the current arrangements, while providing means for farmers to dispose of their fallen stock in the short term, do not provide a satisfactory long-term solution. That is why we are working closely with all interested parties on the island to find a commercially viable, more permanent solution for disposing of fallen stock safely and without risk to the environment. Any support the hon. Gentleman can provide to the efforts of the Isle of Wight council, the NFU, DEFRA and others to find viable proposals will be greatly appreciated by all the organisations involved and, doubtless, by his farming constituents, who I am sure are keen for the matter to be rectified as soon as possible.

On a point of fact, I should like to mention the Brownrigg case. On 10 November 2007, at around 10.30 am, Mrs. Stephanie Moul was riding a horse when she saw five dead sheep in a field farmed by the Brownriggs. Further down the track, she saw more remains, including a jaw and leg bone with fleece attached. Two minutes or so later, she saw two more decaying sheep carcases. Between 12 and 16 November 2005, Isle of Wight council trading standards officers visited the Brownrigg's farm and observed similar things in different quantities in different locations. They observed skulls, sheep spines and ribcages, carcasses at varying stages of decay, a sheep's leg protruding from a patch of maggots on a muck heap, and miscellaneous sheep bones and skeletons.

On 22 April this year, a court judgment dismissed a case taken by the Isle of Wight local authority to prosecute the Brownriggs for failure to dispose of fallen stock in accordance with the Animal By-Products Regulations 2005—the hon. Gentleman referred to this case, which of course involved his constituents. The judge ruled that as the state, DEFRA and the Isle of Wight council had failed to

"ensure that adequate arrangements exist to guarantee the collection and transportation of fallen stock",

as stated in article 7(3) of the EU animal by-products regulation, it was an abuse of process to prosecute Mr. and Mrs. Brownrigg under the domestic regulations. The judge dismissed the case and ruled that burial under a pragmatic arrangement put in place by DEFRA with council and industry agreement was illegal.

In response to the judgment, DEFRA amended domestic legislation with effect from 2 May 2009 formally to designate the island as a remote area, thereby legalising burial and giving clarity both to enforcers and to farmers. DEFRA stresses that the derogation to allow burial should be considered an interim measure only, and work continues on developing a longer-term solution to disposal.

I could not agree more with the hon. Gentleman on the need for the matter not to drag on and for a solution to be found as soon as possible. To that end, I have decided to visit the Isle of Wight to meet interested parties so that we can work together to find a medium and longer-term solution to the lack of fallen stock disposal outlets on the island. Without having to ask, I know that the hon. Gentleman will want to play an important role in that. I look forward to meeting him and his constituents shortly, with a view to finding a pragmatic solution as quickly as possible.

1.21 pm

Sitting suspended.

Extra Care Accommodation (Benefits)

1.30 pm

Dr. Stephen Ladyman (South Thanet) (Lab): It is good to see you in the Chair, Mr. Illsley.

I shall begin by giving some background on why I called this debate, which is the first of three debates that I hope to secure on extra care housing. Extra care is the name that the Government give to a particular type of accommodation, which I believe is well suited to the needs of older people. It sometimes goes under different names, depending on the provider. It can be called assisted living, very sheltered accommodation, close-care accommodation and various other names.

To qualify as extra care, the accommodation must have some specific characteristics. Residents must have their own accommodation, whether it is an apartment, a bungalow or a house in a complex. It does not matter whether the residents are freeholders, leaseholders or tenants, as long as they live in their own home. There must also be access to extra on-site care services. Those must be flexible services that residents can access as and when they need them. Typically, extra care complexes provide further services such as restaurants and food provision services. The most exotic of these complexes include a wide range of leisure facilities.

The advantage of such accommodation for the resident is that they can get the care they need, when they need it, while maintaining their independence. Most people regard them as a much better option than care homes. The advantages for the state are that care can be provided more flexibly and cost-effectively because it is provided in one centre and that the well-being of residents is improved. That is why the Government and I strongly support the development of extra care accommodation for older people. However, despite the strenuous encouragement and some Government investment, most new property built for older people is simple warden-assisted accommodation. Extra care accommodation is not taking off as I think it should.

The Department with lead responsibility for extra care is the Department of Health. However, the Department for Communities and Local Government is responsible for planning matters, housing and Supporting People funding, and the Department for Work and Pensions deals with pension credit and other benefit entitlements. That split responsibility causes a great deal of confusion and limits the development of the sector. I intend to secure debates with all three Departments over the coming months to identify and encourage a resolution on the issues that must be addressed. If one thing comes out of these debates and nothing else, I hope that the three Departments will be driven to sit down together and co-ordinate their efforts. The longest journey starts with the first step, so I begin today with the Department for Work and Pensions and welcome the Minister, who is a fellow Kent MP.

Pension credit assessments for people in extra care accommodation appear to be unreliable. I seek the Minister's help to clarify some issues and to improve that situation. Pension credit is not an ungenerous benefit and can transform the quality of life of the older people who qualify for it. However, in determining the eligibility for this means-tested benefit, certain costs are off-set against income. Those costs include an element of service charges. That is where the problem sets in because there is no clear, easy-to-understand statement of what elements of a service charge are or are not allowable, particularly for those living in extra care accommodation.

I suspect that the Minister has been briefed that the definition of allowable and unallowable costs is clear and well understood by local pension credit decision makers. When I have asked his Department whether that is the case, it has always told me that it is. However, that flies in the face of the facts. One provider of extra care accommodation told me that last year it had 186 clients on means-tested benefits who generated 229 appeals against their assessments, of which all 229 went in favour of the client: 229 examples of when a decision maker assessing entitlement turned out to have got it wrong. Admittedly, the same provider said that the situation this year has been much better—just 17 appeals have been needed—but in two areas of the country the intervention of the local Member of Parliament was needed to avoid the problems of last year. I would like to have a little bet with my hon. Friend: if a new extra care block were to be built in an area where previously there was no such accommodation, a glut of appeals would follow, and they would—again—be won by the clients.

The reasoning behind decisions and the instructions of specialist decision makers are too complex to be understood by many older people. Things could, and should, be made simpler. The DWP has so far refused to provide a list of allowable expenses for people in homes when there is a service charge. Why on earth not? There is no consistency of decision making between local offices. Even those affecting neighbours are sometimes inconsistent. Why? A clear set of principles written in plain English would be to everyone's benefit and would resolve many of the difficulties. I would like my hon. Friend to commit to producing such a definitive guide to what is, and what is not, an allowable service charge expense for pension credit purposes. Alternatively, instead of the DWP leaving decisions to local decision makers, who, despite their best efforts, have as much difficulty following the guidance of the social security commissioner as everyone else, it could create a small specialist group to make those decisions. That group would understand matters better and create some consistency around the country.

I want to raise another area of concern that arises from arrangements for Supporting People funding. The Supporting People programme is managed by the DCLG, with which I shall also raise this point when I get the appropriate debate. The problem is that local councils can decide arbitrarily whether to pay for the care element of extra care accommodation from that programme. They receive no guidance from Government on what they should do, and, as a consequence, some pay and some do not—even councils next door to each other have different policies. When a council chooses not to support extra care for older people from its Supporting People budget, the element of a service charge that would have been met by the Supporting People programme does not become an allowable expense for the purpose of working out entitlement to pension credit. That can leave leaseholders with a shortfall of £50 per week compared with their entitlement prior to April 2003. Older people living within just a few miles of each other

[Dr. Stephen Ladyman]

can find themselves being treated very differently. And the situation is getting worse. Council budgets are being stretched and Supporting People funding is an easy target. Quick savings can be made by declaring that extra care service charges are no longer eligible.

I am sure that that is not what the Government wanted, or expected, when they introduced the Supporting People programme. Nor was it—I suspect—what the DWP wanted, or expected, when it agreed to transfer responsibility and the budget for supporting older people in this situation to the DCLG and the Supporting People fund. One obvious solution would be to rescind the ruling that puts extra care for older people within the remit of the Supporting People programme and to return to the pre-2003 arrangements. The DWP could then permit an element of care as an allowable expense within service charges. That would have the immediate impact of encouraging people to provide, and seek to live in, extra care accommodation.

Failing that, the Government must recognise that this client group is probably the only one that does not have a provider or a champion to argue their case and ensure that they are getting their fair share of Supporting People funding in every area of the country. Perhaps my hon. Friend will undertake to discuss this matter with his DCLG colleagues and decide how national consistency can be achieved. At the very least, I would encourage the Government to withdraw the 12 September 2002 guidance note for leaseholders receiving income-related benefits from the pension service or Jobcentre Plus for support services. That note is in some disrepute in the sector. One supplier even calls it fraudulent, given that the availability of Supporting People funding is a matter for local council decision. The Government should rewrite the guidance note and other such notes and do so, this time, with the help of representatives of the industry, who are familiar with what is happening on the ground.

There is a need properly to inform citizens of the benefits of extra care accommodation so that they can seek it out and recognise how it differs from ordinary warden-assisted or sheltered accommodation. There are guidance notes available that are aimed at decision makers, including the largely discredited document that I just mentioned. Other documents are aimed at councils and accommodation or care providers. Factsheet No. 1, from the Care Services Improvement Partnership, which is dated 12 February 2008 and entitled "Extra Care Housing—What is it?", is good as far as it goes, but it is not aimed at the consumer.

I have a question for my hon. Friend the Minister. If he were an older person who had decided to move into accommodation that was better designed for him in his old age and he had heard about extra care, how would he find out what his benefit entitlements might be? How could he get an answer to the question, "Will I be entitled to pension credit so that I can afford to live in an extra care property?" Of course, he could ask the agency responsible for calculating pension credit, but would he really get clear and accurate information? Probably not. In any case, officials are often reluctant to answer hypothetical questions. He might look at various third sector websites, but most are quite confusing.

Surely, we need a guide in plain English to accommodation choices for older people on the Government's own Directgov website. It should have a link to a page written by my hon. Friend's colleagues in his Department, giving citizens a guide to benefit entitlement for people in extra care accommodation. That would allow citizens who are considering moving into extra care to estimate for themselves what their entitlement will be so that they can make their choice accordingly.

Just to emphasise the impact of the information deficit, I should point out that before an older person applies for pension credit, they usually need to know what they could be entitled to. Some extra care providers provide a pastoral service to clients to tell them about pension credit and to help them apply, and it is that group of providers that has given me the information that I am using today.

However, many providers do not provide such a service. I therefore wonder how many older people in extra care accommodation would be entitled to support but have never asked for it. How many have applied, been given a wrong decision and accepted it for want of anyone who knows better? How many of the 186 clients I mentioned earlier would have pursued their claims if someone had not supported them and told them that they had a good case? Again, the issue would be addressed by better information and guidance notes.

The outputs that I seek from my hon. Friend the Minister are these: first, efforts to ensure consistent decision making when people in extra care apply for benefits; secondly, efforts to resolve the inconsistencies that arise because of different local Supporting People arrangements, preferably including a return to pre-2003 arrangements for this client group; thirdly, the production of a definitive guide to allowable expenses, as well as completely revised guidance notes for decision makers and benefit claimants, which should be written after consultation with the sector; fourthly, guides in plain English to extra care accommodation and benefit entitlement for those living in extra care to be provided online and as hard copy and to be aimed at service users; and, fifthly, the three Departments responsible for elements of extra care to sit down together to co-ordinate their approach to removing the difficulties faced by residents and providers, and to renew their efforts to encourage the sector.

Lastly, I have a specific request. When I was a Minister, I held the record for the number of Adjournment debates answered in a Session, so I know how they work. My hon. Friend will have his departmental brief telling him that all is well and that the issues that I am raising are not as serious as I suggest. He will have been told that all is in hand and that there is no need for concern. As he sees it, his job will be to be as helpful as he can, but without committing the Department to extensive new work or new policies.

When it comes to Adjournment debates, however, I am the very essence of a poacher turned gamekeeper, and I could not let him get away with such a response. My job is to ensure that when he leaves here today, the notes of my speech are not put into a file and forgotten about.

My final specific request is to ask my hon. Friend to review again the number of decisions affecting older people living in accommodation with service charges who have had those decisions overturned on appeal

during the past three years, compare decisions in different parts of the country for consistency, and then write to tell me whether he still believes that they are acceptable. I presume that he is not prepared today to offer to revise all the guidance notes and to produce the plain English guidance that I seek, so will he tell me in that same letter either that he will do so, or why he believes that that is not necessary? With that final request, I hope that the Department will have no choice but to continue to consider these matters a little longer, and I await my hon. Friend's answer with keen anticipation.

1.45 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): It is a pleasure to serve under your chairmanship, Mr. Illsley. I congratulate my hon. Friend the Member for South Thanet (Dr. Ladyman) on raising this important subject, about which he knows a great deal from his previous ministerial position. He set a trap for me in anticipating what I might say. I thought that I would look back at the many Adjournment debates to which he responded to see whether other hon. Members laid the same trap for him. I will put that on my list of things to do.

I want to give as much of the available detail as possible, and I hope that I can provide some clarity and commitments. It is right that there has been success in this policy area, as my hon. Friend said, but we need joint working for it to be more effective. I am sure that we agree that that must be demonstrated locally, where services are delivered. We must also ensure that it occurs effectively in central Government, working across Departments. All Departments with which he intends to have the debate want to work together and not in the proverbial silos. We have done, and will continue to do, a number of things to achieve that, and I will outline them later.

I have time to talk about the Supporting People programme, which, as my hon. Friend rightly said, rests with the Department for Communities and Local Government. He is aware that, on 7 April 2003, we saw the advent of that programme, which brought together for the first time nine housing-related funding streams from across Whitehall, which was no mean achievement. From its beginning, the main aim of the Supporting People programme has been to end social exclusion and to enable vulnerable people to maintain or achieve their independence through the provision of vital housing-related support to maintain a suitable and stable independent home in local communities.

The Supporting People programme provides housing-related support to prevent problems that could lead to hospitalisation, institutional care and homelessness, and it aims to help the smooth transition from independent living for those leaving an institutional environment. The purpose of the programme is to assist in providing a better quality of life for vulnerable people, helping them to live more independently.

The programme's vision of bringing together at local level better integrated and more securely funded housing and related services for vulnerable people commanded general support, and still does. The intention is to help many categories of people, including older people who want to continue to live independently and other vulnerable people in our communities.

Dr. Ladyman: Given what the Minister has said about the laudable objectives of supporting people and the specific targeting of vulnerable older people, can he think of any justification for allowing councils to opt out entirely from providing extra care support for people in their area, as some have chosen to do?

Jonathan Shaw: My hon. Friend will know that services differentiate between local authority areas. A common complaint about the postcode lottery that people often talk about is the difficulty of getting the balance right between local choice for the council to provide for its residents and ensuring that there are standards. I am sure that we will continue to have this debate—particularly when we publish the care and support Green Paper, on which a most important debate will take place, and what he has discussed today will be very pertinent to that. We will publish that document soon. As my hon. Friend knows, we have invested more than £8.7 billion in the programme, and we will spend a further £4.9 billion up to 31 March 2011. The programme has helped more than 1 million people across England.

On the DWP's role, help with service charges from income-related benefits relies on the charge first being a condition of occupying the home. In practice, therefore, the tenant or leaseholder could be evicted from their home for non-payment. The benefit decision maker decides whether any part of those charges is ineligible for help and removes that from the overall service charge before deciding on the amount of benefit payable. Legislation does not prescribe which service charges are eligible. We have always sought to avoid providing a prescriptive list of eligible service charges, as it would prevent help from being given for worthy costs that are not on the list.

As a general rule, all eligible service charges must be connected with the provision of adequate accommodation. Charges must therefore be related to those services that are property related, rather than to the person's ability to live in a property, which are usually met by other funding streams. A proportion of the service charge costs in respect of supported accommodation that is owned or leased may be met through income-related benefits, such as income support or pension credit.

We are aware that some decision makers have faced difficulty when the management fee payable on leasehold apartments does not include a breakdown of the service charges included in the fee, including those for providing support. If that breakdown is not available, it may be that the decision maker is unable to establish the eligible charges met by pension credit. The issue of determining and assessing the ineligible service charges for owners was addressed in a commissioner's decision—CIS/2901/2004—which was reported in April 2005. Essentially, the commissioner decided that the appropriate apportioning of staff costs between housing management and support functions should be determined by how much time is spent on each function.

On the issues that relate to my Department, my hon. Friend mentioned the number and 100 per cent. success rate of appeals made against the pension credit assessment. In those cases where a breakdown was not available at the time of the original decision, that decision can be reconsidered if the information becomes available subsequently and an application for a revision is made. I understand that the total number of pension credit

[Jonathan Shaw]

appeals submitted to a tribunal during 2008-09 was 1,387, of which 221 were allowed in full and 32 in part. We believe that the appeals to which my hon. Friend refers are those where the decision has been reconsidered and revised by the decision maker, so that there is no need to submit the appeal to the Tribunals Service. The provision of the information means that the reconsideration can be done, the decision revised and the appeal lapsed.

On issues relating to housing costs, which includes service charges, only 32 appeals were lost. Appeals are normally lost because the decision is on a matter of subjective judgment and the tribunal comes to a different conclusion, or the customer provides extra information at the hearing. Approximately 120,000 decisions were made on service charges last year, of which only 32 were found to be incorrect on appeal. In essence, therefore, only 0.03 per cent. of our decisions on service charges were found to be incorrect in the end. Several appeals were made to the commissioner and upper tribunal judge, to clarify which expenses were eligible and which were ineligible. The commissioner's decisions are binding and must be followed by decision makers, as my hon. Friend is aware. To ensure that decisions are consistent and in line with the commissioner's findings, a guidance memo—SPC memo 53—was issued to all decision makers in November 2006. I can send it to my hon. Friend if he wishes.

My hon. Friend asserted that the reasoning behind decisions and the instructions of specialist decision makers are too complex for many older people to understand. The concept behind the decision is straightforward. A resident is eligible for help with service charge costs associated with the provision of adequate accommodation, but not for help with costs associated with counselling, care and support. Complexity arises if the service charge costs comprise both eligible and ineligible elements in unspecified and varying proportions. However, SPC memo 53 simplifies the matter for decision makers by including an automated spreadsheet calculator. The decision maker simply inputs the established facts and the calculator works out the entitlement.

My hon. Friend suggested that the DWP has so far refused to give a list of allowable expenses for people in homes where a service charge adds to the confusion, yet SPC 53 also includes a desk aid containing an extensive list of allowable expenses for people in homes where there is a service charge. The memo has been accessible and in the public domain since November 2006.

Finally, my hon. Friend remarked that there is no consistency in decision making between local offices, or even between decisions affecting neighbours. It is difficult to comment on or analyse the consistency of decisions between local offices or neighbouring areas, because each individual case should be decided on its own facts and will therefore be different from the case of a resident in a similar establishment in the next road, town or village. It is likely that residents within the same leasehold dwelling will have similar entitlements, but those entitlements will be different from those of the residents of a neighbouring dwelling. That individuality was confirmed by the commissioner, who stated that

"the eligibility of service charges must be considered by reference to each individual residential complex, an average figure taken by reference to a sample of developments will not suffice."

The Pension, Disability and Carers Service also encourages consistency of decision making in the area. I am assured that decision makers have been provided with the training and guidance to deal effectively with claims. A current programme of work is being undertaken to update existing training modules and provide staff with extra training directed at all aspects of error in decision making. There is a specific training module on service charges, which was launched in April 2009.

PDCS has an independent team that undertakes regular checks of the accuracy of pension credit decisions. When errors are found, feedback is given to staff. The most up-to-date pension credit statistics show accuracy for 2008-09 to have been 92.11 per cent. against a target of 92 per cent. PDCS has a specialist centralised appeals section to handle all pension credit appeals. If the decision referred to the appeals section looks in doubt, the case goes back to the decision maker for reconsideration. Our records show that only 12 cases were reconsidered for service charges in the past year.

I am grateful to my hon. Friend for bringing his expertise and understanding of the sector to the debate. I believe that our objectives as a Government and his, as a champion for older people, are the same. I will arrange for meetings between him and officials to ensure that all the points that he raised are covered if I have not been able to respond to them today.

Dr. Ladyman: I will certainly take up my hon. Friend's invitation, but given what he said about the guidance notes being in the public domain, it seems a small step for them to be put into plain English, so that clients as well as decision makers can understand them. Will he consider that?

Jonathan Shaw: On a final note, of course I will consider it. We always strive to ensure that our publications are in plain English and meet the various marks for that. I hope that we can indeed improve the service.

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 24 June 2009

[MR. MARTIN CATON *in the Chair*]

Middle East

Motion made, and Question proposed, That the sitting be now adjourned.—*(Lyn Brown.)*

9.30 am

Mr. Richard Spring (West Suffolk) (Con): It is a pleasure to have you presiding over our proceedings, Mr. Caton. I welcome the Minister to his new role and wish him well in it. I am reminded of Vera Lynn's "We'll Meet Again", because we come together every few years. I look forward to what he has to say on this important subject.

The middle east may not be our near geographical neighbour, but we cannot escape from our involvement in the region. That can be seen throughout history with the magnificent crusader castles across Syria, our support for the Arab revolts against the Ottoman empire, the founding of the state of Israel, and the construction and subsequent loss of the Suez canal. The list could go on.

This is not a moment to discuss the merits of the recent invasion of Iraq. Suffice it to say that it impaired a number of our relationships in the region. Today, violence on the streets of Gaza inflames passions on the streets of our country. Whether we like it or not, we cannot escape from the realities of our past and current involvement. In that, we are blessed with outstanding diplomats, whose knowledge of the middle east is unsurpassed. When their judgments have been ignored, it has led inevitably to difficulties for us.

In the past few weeks, we have seen extraordinarily successful and peaceful elections in Lebanon, an inspiring speech in Cairo by President Obama, post-election turmoil in Iran and Bibi Netanyahu implicitly acknowledging the problems brought by the growth of settlements.

I should like to concentrate on Syria, which has been remarkably stable in the past decade under a new and younger President. At no stage in the long history of the region could Syria sensibly have been ignored. I declare an interest as a director of the British Syrian Society, which seeks at all levels to build up our bilateral relationship. I pay particular tribute to two individuals who dedicated themselves so successfully to that task, Dr. Fawaz Akhras and the late Sir David Gore-Booth, who was a distinguished diplomat.

Having spoken out against the Iraqi invasion of Kuwait, Syria strongly opposed the invasion of Iraq in 2003. In expressing the notion of an axis of evil, the United States took a hostile view of Syria. It was widely believed by Syrians that America would invade them, too. There is no doubt that jihadis crossed from Syria into Iraq across a long border that is difficult to police. It was a source of fury that some of those individuals may have been directly or indirectly responsible for the loss of life among coalition forces.

A second source of criticism of Syria stems from the civil war in Lebanon, after which Syrian military forces were invited to help restore order. In time, their role became resented by key players in Lebanese political life, who believed that there was inordinate interference in the domestic, political and economic life of the country.

A third source of criticism is the ties between Syria and Iran, which rose initially out of a shared fear and dislike of Saddam Hussein. Although they may have close trading and economic ties, Iran is a theocratic state, whereas Syria is constitutionally secular. Different religious groupings co-exist extremely well in Syria and Islamic fundamentalism is simply not tolerated. A final source of criticism is Syria's support—shared by Iran—of Hezbollah and Hamas, with their terrorist attacks on Israeli citizens.

The central thesis of my remarks is that those important issues must be put in context or updated to reflect current realities in a continuing process of mutual exploration between our two countries.

A chunk of Syria—the Golan heights—is illegally occupied by Israel. The area holds no strategic value for Israel. In 2000, the late President Hafez Assad came close to a deal with Israel that included the return of the Golan heights and a clear recognition of the state of Israel. Israel continues to have concerns about Iranian and Syrian support for Hezbollah. However, it is noteworthy how acquiescent Hezbollah was when Israel invaded Gaza.

Also noteworthy is that Sheikh Hassan Nasrallah fully accepted the results of the recent Lebanese elections. It has been a fundamental view of Syria that Hezbollah is a political reality in Lebanon and that it should be seen as such. Latterly, it has worked hard to encourage change in the political topography of Lebanon to entrench Hezbollah as part of the democratic political process. Relations between Syria and virtually all Lebanese political leaders have improved dramatically with many ministerial visits and the exchange of ambassadors, which was inconceivable until recently.

Syria was told that its role in the lead-up to the Lebanese elections would be observed carefully. The outcome was beyond everybody's expectations. I am pleased that our Government, including our ambassador in Beirut, have met with the political arm of Hezbollah, thus recognising its electoral legitimacy.

I have said many times to Israeli friends that a core impetus to Hezbollah's military activities would be changed if Israel returned the Golan heights to Syria. Without that, there will be no comprehensive and enduring sense of security for Israel on its northern border. The Turkish Government sought to broker talks between the two countries. We wait to see whether Syria's offer to reopen talks with Israel will be taken up by Mr. Netanyahu. His Foreign Affairs Minister, Avigdor Lieberman, has so far explicitly rejected discussion of the Golan heights, but these are early days.

No hon. Member can have failed to be concerned about the recent events in Iran.

Mr. Brooks Newmark (Braintree) (Con): I hear what my hon. Friend says about the importance of bringing peace on Israel's northern border, particularly with respect to the Golan issue. Does he agree that hon. Members from all parties must encourage the Israeli Government to engage with Syria, whether through a Turkish intermediary or any other intermediary, because talking is better than not talking?

Mr. Spring: My hon. Friend is right. I pay tribute to him for the work that he has done to develop that argument. I am sure that he will agree that although a comprehensive settlement in the region would be desirable, that is presenting huge difficulties, not least because of the seemingly irreconcilable tensions between Fatah and Hamas. It would be a shame if that was a major stumbling block or distraction to a Syrian track, because it is in Israel's interest to have the security to which he alluded. We should encourage the Israelis to consider the Syrian offer to continue the exploration, brokered by the Turks.

Bob Spink (Castle Point) (Ind): The hon. Gentleman will be aware that there has been no ministerial visit to Iran for about six years. Does he agree that now might be the time for the Foreign Secretary to go over there to strengthen our dialogue and engagement with Iran, so that we can stop the worrying escalation? Jaw-jaw is better than the alternative. Does the hon. Gentleman agree that that is a risk worth taking?

Mr. Spring: The hon. Gentleman is right to raise the long-term significance of a relationship between Iran and the United Kingdom. However, at a moment when two of our diplomats have just been expelled from Tehran for no reason—apparently, the British Government are behind the protests on the streets of Tehran, which is an interesting take on events—the British Government are absolutely right in the circumstances to react by expelling two diplomats from London. Although we hope that calm will prevail in the long run and that logic will enter into the equation, I do not agree with the timing suggested by the hon. Gentleman.

Richard Burden (Birmingham, Northfield) (Lab): May I take the hon. Gentleman back to the question of the Golan, which he mentioned earlier? He referred to the Golan heights. We all refer to the area as that, but in so doing, we minimise its importance. It is an 1,800 sq km plateau, where the rainfall is higher than in Damascus. It is of great strategic significance. There are more than 346,000 displaced persons from the Golan, but that is often treated almost as a side issue to achieving a comprehensive middle east peace. The area is about more than that; it is absolutely central—strategically for Syria in terms of natural resources and other things, but also in terms of doing right by those 346,000 displaced persons.

Mr. Spring: I am grateful to the hon. Gentleman for mentioning the humanitarian aspect. I certainly know individuals whose family origins lie in the Golan heights. Of course, the humanitarian tragedies that abound in the region are what we are seeking to address. That applies on all sides of the equation. Although the Golan heights are occupied, I do not think that even people in the Israel defence forces regard them as strategically significant. However, the matter will sour the relationship between Syria and Israel, which is why some sort of solution to the problem—a solution was nearly arrived at in 2000—could take the whole process forward. I hope that the new Government in Israel will see the matter in those terms because the flow of the issue into the Hezbollah argument, with which the hon. Gentleman will be very familiar, means that it is important to Israel's own long-term security to address the problem.

As I mentioned, there have been extraordinary events in Iran in the past few weeks, and there are concerns about the views of senior Iranian figures. The truth of the matter is that Iran unreservedly supports Hezbollah and Hamas. As I said, it is in Israel's vital strategic interest to seek to minimise the impact of Iran's stated aim to export Islamic revolution in the form expressed. Israel enjoys workable relations with Egypt and Jordan—that should be the role model—and it should seek to develop a pragmatic relationship with its northern neighbours. Syria has made its position clear: a return of the Golan heights is part of a full normalisation of relations. Israel should simply road test that offer without delay. If successful, the prize would be to enhance its own security and stability, although much work would have to be done and, of course, much reassurance needs to be given.

At different times, Syria has had poor relations with other Arab countries. However, that is no longer the case. The Syria-Saudi Arabia relationship is particularly important, and is back on track. There have been a number of welcome ministerial exchanges between Baghdad and Damascus. The criticism of the border crossings, to which I alluded, has substantially evaporated and help has been given to Syria to achieve that. Exploration of greater commercial ties between Syria and Iraq continues to take place.

Two other facets of Syrian life bear examination. Syria has developed a culture that is unique in the region, perhaps because its history has been marked by so many invasions and occupiers—from the Romans and the Persians, to the Umayyads, the Ottomans and the French. More than a century ago, Gertrude Bell wrote about that with amazement in her diaries. The Grand Mufti of Syria radiates a generosity of spirit and understanding, which personifies the attitudes of the Muslim majority to the religious minorities.

I welcome the recent official visit to London by the Syrian Minister of Religious Affairs to discuss Syria's approach to key sensitive matters, including countering radicalisation. It is worth noting that the aim of what was, from every possible viewpoint, an important visit was to represent the Syrian model of moderate Islam, which combats terrorism and rejects extremism. The visit resulted in an offer to send a group of Muslim scholars to lecture at the Islamic centres in the United Kingdom on moderate Islam as practised in Syria. The visit also drew on Syria's willingness to train British imams in Syria according to a curriculum approved by the United Kingdom. The Ministry of Religious Affairs in Syria has indicated a willingness to teach British students who want to study Arabic and sharia for four years at the international institute for Arabic and sharia, so that they can become advocates of moderation.

I say to the Minister that at a time when relationships are very fractious and we have seen a most disagreeable increase in Islamophobia and, indeed, anti-Semitism in our country, it is precisely through such moderation and contact that Syria can play a valuable role. I know the Minister will welcome that visit and the return visit that took place to Syria by British Muslims to discuss messages of peace from Islam. That collective generosity of spirit has enabled about 1 million Iraqis, a significant number of whom are Christians, to find sanctuary in Syria, which is a huge burden on a country of some 20 million.

Refugee children go to school free up to the 12th grade and medical care is available on the same basis as it is to the local population. This year, the United Nations High Commissioner for Refugees launched an appeal for $150 million. It would be interesting to hear from the Minister how Britain is assisting in what the UNHCR has described to me as—this is well known to be the case—an internationally under-recognised refugee crisis, which, of course, arises directly out of our invasion of Iraq.

It is gratifying that, after a long period, relations between Syria and Britain have improved considerably. I hope that the Minister will go there soon, as his predecessor and the Foreign Secretary have done. Of course, Opposition parties—including my hon. Friend the Member for Aylesbury (Mr. Lidington) and the shadow Foreign Secretary, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague)—initiated a dialogue some time before. Many European politicians have now visited Damascus.

There continue to be attempts to liberalise and modernise the Syrian economy through banking and investment code reforms and the establishment of a fledgling stock exchange. Since 2005, the EU-Syria association agreement has been frozen. It is hoped that, finally, the agreement will be signed this year, which will encourage trade flows between Europe and Syria and the lowering of any tariff barriers. That will compel and encourage the Syrian Government to bring forward further reforms, especially at a time of diminishing oil reserves.

There is now open discussion about the transfer of gas via Syria and Turkey from some of the main gas producers to the east and Qatar. There is concern throughout Europe about increasing dependence on Russian gas supplies. An opportunity is presenting itself to diversify supply to the Mediterranean, and the strategic significance of that is obvious. In the end, real movement in the region will be brought about by focused US involvement. The Obama Administration seem to have made a concerted effort to follow a fresh approach to the region in particular and the Islamic world in general. Numerous visits to Damascus by US Government representatives signal that engagement, and the involvement of George Mitchell, who played such a significant role in Northern Ireland, is to be welcomed. Nevertheless, the US currently has no ambassador in Damascus, and a wholly counter-productive boycott is still in place. Of course, concerns remain about human rights violations in a number of Arab countries, and controversy surrounds the access of the International Atomic Energy Agency in Syria.

I shall conclude by coming back to where I started. Many of the criticisms of Syria during the past decade now appear to be out of date. In the right circumstances, Syria could help to unlock a whole series of huge challenges—whether in relation to the security of Israel, the actions of Hezbollah or Hamas, or through its long-standing relationship with Iran. The terms "dialogue" and "road test" once again spring to mind. Our bilateral relationship is far from perfect, but we can play a part in trying to make continuing progress. In so doing, we would fulfil our historic engagement in the region, which, regrettably, has become so lamentably absent, greatly to our country's cost.

9.49 am

Mr. Paul Goodman (Wycombe) (Con): I shall be extremely brief, Mr. Caton.

I congratulate my hon. Friend the Member for West Suffolk (Mr. Spring) on obtaining this extremely important debate. He concentrated necessarily on Syria and Britain's strategic interests abroad. He also touched on Britain's security interests at home, and it is that point that I would like briefly to amplify.

It is undeniable that the main threat to our domestic security at present comes from those who mistakenly claim and exercise violent extremism in the name of Islam. As the House has repeatedly heard, I have a particular interest in this issue as the Conservative Member with the largest number and proportion of Muslim constituents.

It is important to appreciate that Syria is, in strictly religious terms, an extremely moderate place, as my hon. Friend said—he has great experience of the country—and, on the Islamic map worldwide, it is important as the heartland of traditional classical Islam.

Syria is important for three reasons. First, as my hon. Friend said, it contains Damascus, which is an important historical site and the home of the Umayyad dynasty. Secondly, it is the home of many well-known ulema and scholars such as Ahmad Hassoun, the Grand Mufti, whom my hon. Friend referred to, Dr. Mohammed al-Buti, Sheikh Muhammad al-Yaqoubi and others. Those names may not be well known to us, but they are well known to British Muslims who have an abiding interest in what scholars and ulema in the Arab world have to say. Thirdly, Syria is a centre of a classical Islamic world view that is fundamentally at odds with the modern conception of a sharia state, particularly one that is brought into being by violence.

Given all that, and despite political difficulty, I have three quick questions for the Minister. In essence, they follow up what my hon. Friend said. First, given how seriously many British Muslims take the scholarship and expertise of Syrian ulema and scholars, will there be opportunities to bring some of those scholars here, perhaps as part of a radical middle-way programme or something like it? Secondly, in reverse, will there be opportunities in the future to take British imams and scholars to Syria? I understand—my hon. Friend referred briefly to this—that the Quilliam Foundation and others recently went to Syria for theological and political discussions that I gather were very lively.

Finally, what opportunities does the Minister see for British students to go to Syria to study the traditional classical Islam that is so much at odds with the violent extremism that is a threat to our security and to the security of other countries, too?

9.53 am

Richard Burden (Birmingham, Northfield) (Lab): I had not intended to speak other than to intervene in the debate, Mr. Caton, but perhaps I could ask my hon. Friend the Minister to comment on just a couple of points.

I congratulate the hon. Member for West Suffolk (Mr. Spring) and also put on the record that this year was a first for some years in that an official Inter-Parliamentary Union delegation from this Parliament

[Richard Burden]

to Syria took place in January. I was a member of the delegation, which was led by my right hon. Friend the Member for Streatham (Keith Hill). In terms of building understanding, contacts and dialogue between UK and Syrian parliamentarians, the visit was very worth while indeed. I hope that further such exchanges will continue, in addition to the good work that the hon. Member for West Suffolk does through the all-party group on Syria and the British Syrian Society.

The hon. Gentleman referred to Iraqi refugees in Syria, which is one of the issues that I would like to raise with the Minister. As the hon. Gentleman said, it is a major issue for us because of our involvement in the situation that led to those refugees being in Syria, but it is also a major issue for Syria. According to the United Nations High Commission for Refugees, which we met while we were there, there are 1.2 million Iraqi refugees with valid visas in Syria at present. I give credit to Syria, which gives them access to services and at least primary education. It has done much more than several other countries would have done.

However, there is still an issue for Syria, because of the drain on its resources, but perhaps most of all for the Iraqi refugees themselves. We met several of them. We visited several UNHCR installations, including its reception centre, and we were able to speak to and hear first hand from Iraqi refugees about their situation, which is something that we need to address.

The international community needs greater coherence around its approach to repatriation: would it be viable, and, if so, when and how are pathways to be built towards it? However, it also needs to grasp much more consistently the question of resettlement. Several Iraqi refugees told us that, because of all kinds of changes in Iraq and elsewhere, they were now looking at resettlement. If that is to be dealt with properly, it requires a co-ordinated response from the international community. The UNHCR has a great deal to say about that. We need to listen to what it has to say, because it is a major issue.

My second point on refugees concerns Palestinian refugees in Syria. I am not speaking particularly of those Palestinian refugees who are in Syria as a result of events in 1948 or 1967 but rather those who are in Syria or on its borders as a result of the conflict in Iraq. About 300 Palestinian refugees currently live in a camp in the desert—in essence, they are cut off from many facilities. Again, that is a humanitarian issue that we need to address.

My hon. Friend the Minister will not have come here today prepared to speak about the Palestinian refugees, but I would ask him, if he is not able to say much about them today, to look into the situation, and to consider what we and the international community are doing to try to ease their plight. To some extent, they are the forgotten refugees arising out of the Iraq conflict, but they deserve to be forgotten no longer.

9.58 am

Bob Spink (Castle Point) (Ind): Like others, I did not come here intending to speak this morning, Mr. Caton, but I am tempted to my feet. I congratulate and thank my hon. Friend the Member for West Suffolk (Mr. Spring)—I hope that he still considers himself to be a friend. He shows great understanding of the issues and the countries involved, and he made his contribution with characteristic courtesy to the House and other Members. He knows much more about the issue than I ever will.

I called a meeting in the House on Monday evening of Iraqi Christians, and I would like to say just a few words about it. It was a bit harrowing: many difficult stories were told of kidnappings, and violence, extortion and threats against various minorities. Several witnesses at the meeting explained the problems of split families; that is, families that have been separated, with members scattered around various countries including Iraq, Syria and Jordan, and as far afield as Scandinavia, north Africa and this country. The principle of family reunion is given insufficient weight by our Government and other Governments, the UNHCR and other organisations. I am sure that the Minister is aware of that, and will consider carefully what the Government can do to lead the international field in trying to put those families back together, and to stop the persecution of Iraqi Christians.

There is clearly a backlog of old asylum claims in the UK, which is another urgent issue—

Mr. Spring: I thank the hon. Gentleman for the courtesy of his comments. He might not be aware that although a substantial percentage of Iraqi refugees in Syria are Christians, they come from a variety of faiths, but do not live in separate conditions. It is interesting how the pervasive culture of Syria has influenced them, and that the tensions that existed between those communities in Iraq have evaporated as they live side by side in Syria.

Bob Spink: I am grateful for that clarification. My comments were aimed essentially at the difficulties that arise in Iraq rather than in Syria. As with Thailand and Burma, neighbouring countries often act as host and suffer great pressure from the refugee problem, but do magnificent work. We must encourage them to continue that, and we must tackle the refugee problem worldwide. I am sure that the Minister has taken on that message. I thank you, Mr. Caton, for allowing me to give it.

10.1 am

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): Like other hon. Members, I did not intend to make a speech today, but I was galvanised into doing so by the eloquence of my very good friend, the hon. Member for West Suffolk (Mr. Spring) and his excellent speech. I will make a couple of short points.

I agree with the hon. Gentleman that a comprehensive resolution of the intractable problems in the middle east requires engagement with Syria. As he rightly pointed out, the British Syrian Society has played a valuable role in seeking to build relations with that country, and I pay tribute to those who have been involved. I am honoured to be a member of its board.

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) made the valid point that it is in Israel's interest to engage with Syria, but there will be positive engagement only if the Golan issue is resolved. He rightly said that the Golan heights are often referred to as a mountain, but it is a region, and a large one

housing many people, many of whom, sadly, have been displaced. Those issues must be resolved because that is crucial to a lasting normalisation of relations between Syria and Israel. It is obvious from my discussions in Syria that the Syrian Government are willing, able and want to engage with western Governments and to play a part in bringing about lasting normalisation and a just settlement of the intractable problems in the middle east.

The problem is not just the issues between Israel and Syria, but the wider issues of the Palestinians and a viable Palestinian state. That is not the subject of this debate, but I am becoming more and more sceptical about whether there will be a two-state solution. The intractable problems between Fatah and Hamas, and the fact that the two parts of an embryonic Palestinian state are divided by a piece of land that was Israeli territory prior to 1967 leads me to question more and more whether there can be a viable two-state solution. It is possible that there could eventually be a three or even four-state solution in the middle east, but that is not the subject of this debate. The debate today is about Syria, our relations with it, and its role in bringing about a resolution of middle east problems. I commend the hon. Member for West Suffolk on initiating it.

The hon. Member for Wycombe (Mr. Goodman) made an excellent point about the role that Syria can play in wider Islamic theology. Under its constitution, Syria is a secular state. I am impressed by and admire the fact that different religions exist in the state and seem to do so in a relationship that is respectful of one another's differences. Like him, however, I am becoming more and more concerned about the export of Wahhabis from Saudi Arabia, and the effect of that on communities in western countries such as the United Kingdom where large Muslim populations live. Unless one lives in areas where that can be seen daily, as he and I do, it is difficult to understand how destructive Wahhabism can be. However, unless we treat the issue seriously and address it, it poses a threat to the cohesion of good community relations in the United Kingdom and other western countries. I hope that that will be taken on board.

It is important to have this debate today. It is important also that the British Government treat seriously the messages that Syria is sending that it wants to engage and to be fully involved in assisting with bringing about a resolution of some of the problems in the middle east. I am sure that the Government are aware that Syria stands ready, willing and able to help, but that the Golan issue must be resolved. I commend what other hon. Members have said. Israel must treat seriously Syria's concerns about the Golan, and it must negotiate and come to an agreement with Syria, whether that is a bilateral agreement or part of a wider agreement in the middle east.

10.8 am

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Member for West Suffolk (Mr. Spring) on securing this debate and on the way in which he introduced it. He clearly has great expertise, and the way in which he outlined the historical context and more recent developments set the tone for an interesting and productive debate. I welcome the Minister to his position. I am sure that this will be the first of many interesting and enjoyable debates on a wide variety of foreign policy issues.

This is a good time to debate Syria and the middle east, not least because of recent developments in the region and the change in the US's approach to the middle east. Obama has made engaging with Syria a key point of his foreign policy, which is a welcome change from the Bush years, and is a cause for optimism. As has been outlined, such engagement with Syria is vital to ensuring a peaceful withdrawal from Iraq, maintaining peace and stability in Lebanon, and for the Arab-Israeli peace process, on which we all so desperately want more progress.

Historically, Syria has been more isolated because of its support for Hezbollah and Hamas, and its close ties with Iran, which have given countries reason to be cautious in their dealings with Syria. However, I argue that those are the very reasons why we must engage, because the influence that Syria has across the region makes it a vital player.

Recently, George Mitchell, the US envoy for Arab-Israeli peace, visited Damascus. That is a hugely positive step. Traditionally, the UK has been somewhat less hostile than the US towards Syria. We have maintained diplomatic relations and engage directly on regional and consular issues. That approach must be welcomed, because engagement is the cornerstone of how we can use influence with Syria to try to unlock some of the problems in that troubled region.

The hon. Member for West Suffolk talked about the close links between Syria and Iraq. He said that this is not the place to go over the arguments about the war, and I agree, but later today we have the Opposition-day debate on the Iraq inquiry. It is important that that inquiry, with its broader remit, is also able to consider the impact that the war had on the wider region and Britain's foreign policy objectives in the wider region, because, as he said, they have been somewhat undermined by our actions in Iraq.

There is the issue of Syria having allowed insurgents to cross the border into Iraq, which has made the situation there much more difficult. According to the eighth report of 2006-07 from the Select Committee on Foreign Affairs, the Syria expert Patrick Seale said that Syria had allowed "a few Jihadists" to "go across that territory" because

> "the Syrians do not want the Americans to have too easy a time in Iraq, because they think that the Americans will win there and they will be next."

That sense of vulnerability and concern will have been a key motivator in Syria's decisions. I hope that now, with the change of approach, the Syrians will have some confidence that they will not be next and that that will help to build trust in order for them to clamp down on insurgency crossings into Iraq. Obviously, there is a fear with the troop withdrawal and handover that this will be a vulnerable time in Iraq and insurgency activity could instead increase.

The situation of Iraqi refugees in Syria was mentioned by the hon. Member for Birmingham, Northfield (Richard Burden). It was interesting for us to hear about his experiences seeing the refugee camps at first hand and to hear the positive stories that he had to tell about education and development there, but clearly the situation places huge stress on Syria. That strengthens the case for pointing out to Syria that it is in its interests to engage more regionally and to have a prosperous and stable Iraq next door, not only to act as a trading

[Jo Swinson]

partner but to facilitate the return of refugees, at an appropriate pace, and to lessen the burden that Syria is experiencing. In foreign diplomacy, using the self-interest of countries to encourage certain behaviour is often the most successful approach.

Richard Burden: The hon. Lady is right to say that repatriation of some Iraqi refugees will be the right option, but the point that I was trying to make and the issue that we need to tackle as an international community—this is certainly the view of a number of the Iraqi refugees themselves—is that a programme for resettlement elsewhere may be the long-term solution for a number of those refugees. In some cases that will be in Syria and the middle east; in other cases it will be in the wider world. We need to think through how that will be achieved.

Jo Swinson: The hon. Gentleman makes an important point, which highlights the importance of Syria being part of the wider engagement, because creating such a solution will not happen with just one country; it needs to be part of a much wider discussion.

Mr. Newmark: During my visits to Syria, I have talked about that issue as well. Given the work that the Syrian Government have done in absorbing perhaps 1 million or more refugees and giving them health care, education and housing, surely the international community, purely on a humanitarian level, should be doing more in giving some sort of funding towards that to support the Syrian Government.

Jo Swinson: I certainly think that the Syrian Government should be praised for what they have done. No doubt the humanitarian agencies will be involved, and they should be involved. I will not go into all the arguments about the Iraq war, but particularly where we have contributed to problems and to what I view as a terrible mistake, we have a responsibility to help to clear up the mess that we have made and to provide such support.

On Israel and Palestine, I was intrigued by the comments of the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff). I was feeling slightly despondent when he talked about being unable to see a two-state solution. As someone who supports a two-state solution, I thought that perhaps it was going to be a pessimistic comment, but I was interested to hear his suggestion that in fact a three or four-state solution might be the end point. I do not know whether that will be the case, but whether it is two, three or four, the word "solution" is what matters. That is surely the end that we all want.

Clearly, Syria will play a vital role in that. Various hon. Members mentioned the key importance of the Golan heights in getting Syria involved in the peace process. That is obviously a bottom line for the Syrians. Unlike many hon. Members in the debate, I have not been to Syria, but I did go to the Golan heights on a trip to Israel some years ago. It is clearly a much contested piece of land but, as was also pointed out, it is not just a territorial dispute. There is the human aspect in terms of displacement. What surprised me somewhat when I went there was the strategic importance of that land in terms of water—that key resource that sometimes in the UK we have far too much of with our climate, but which in drier areas of the world can be a strategically important resource. I think that, increasingly, water will replace oil as the key resource that might be in a position to provoke conflict. We need to be aware of that.

With regard to Israel's approach, Netanyahu was promising before the election not to return the Golan heights, but there is some cause for optimism, in that his stance may have softened when he told George Mitchell:

"I am unwilling to commit in advance to a full withdrawal from the Golan Heights."

That seems to constitute a move from his pre-election position. It is not yet clear whether it could be a concession that he would make later. The basing of Hamas and Islamic Jihad in Damascus gives Syria an obvious role, potentially, in the peace negotiations. If we can resolve the issue of the Golan heights, Syria might be more willing to exert influence over Hamas to support the peace process.

There is a key economic imperative in considering the situation with Syria. Its isolation and the suspension of the EU trade association agreement, which was mentioned, have clearly caused difficulties for Syria. There is a danger in Syria being too isolated and ending up too dependent on Iran. They have obviously had close ties and that is a potential danger. Perhaps if Syria were to distance itself a little more from Iran, some of the other negotiations might end up being easier. Although the EU trade association agreement suspension in 2005 was put in place for sound reasons, it might end up being counter-productive, so it is worth considering again how we could shift economic incentives to encourage Syria to play a fuller role in the international community, including the trading ties that come with that.

The situation in Iran is moving incredibly quickly. Syria will be keeping a close eye on the demonstrations, perhaps with the fear that they might provoke similar unrest in Syria. I am sure that the Minister will mention the diplomatic developments over the past few days with the expulsion of the diplomats. I am sure that that is of great concern to us all, as have been the pictures of violence on our television screens. Just from a human point of view, they cannot be ignored. However, I think that it is right that the Government and Britain generally have not intervened and sought to tell the Iranians what to do. History shows that that type of intervention will not be helpful, so the Government have taken the right view on the issue.

The Government's approach to Syria is broadly welcome, because regular engagement and making progress step by step has to be the right way forward. Syria is clearly suffering financially because of the EU trade suspension, US sanctions, the fact that its oil reserves are going down and repeated drought, which goes back to what I said about water. There is also the huge burden, which it has been bearing well—it is living up to its humanitarian responsibilities—in relation to the influx of Iraqi refugees.

That brings dangers and opportunities. The situation is difficult for the Syrian people, and if they are allowed to continue in isolation, they could become closer to Iran. However, the UK, the EU and the US have an opportunity to offer new economic incentives to promote political reform and co-operation, particularly on Iraq and the peace process in Israel and Palestine.

Engagement in the region, including direct bilateral engagement with Syria, is important. The Government are taking broadly the right approach, but it is right that the House continues to discuss these issues. We hope that there will continue to be positive developments, but we should return to the issue regularly.

10.20 am

Mr. David Lidington (Aylesbury) (Con): I congratulate my hon. Friend the Member for West Suffolk (Mr. Spring) on his success in securing the debate. I pay tribute to the work that he has done throughout his time in the House of Commons to enhance and improve understanding between Syria and the United Kingdom. Members from all political parties have benefited over the years from his expertise and, indeed, his detailed understanding of the retail opportunities for western visitors to Aleppo and Damascus. He is probably the best guide that a new visitor to Syria could have, because, as he showed in his opening remarks, he understands its history and the important role that it, and Damascus in particular, plays in the religious, cultural and political history of the entire region.

I want to say a few words about economic issues, human rights and regional and foreign policy questions. I want to start, however, by welcoming the steps that the Government have taken over the past 12 months or so, and that the new United States Administration have taken, to engage with the Government of Syria. For quite a long time, my party's view has been that nothing is to be gained from seeking to isolate the Syrian Government. Although there remain profound differences of interest and attitude between this country and Syria, our national interest has not been served by pursuing a policy of isolating Damascus, and recent history shows that such a policy has, if anything, been counter-productive. I therefore welcome the steps taken by the Foreign Secretary and the US Administration in recent months, and I wish them success.

However, it is also important that we seek engagement not simply for its own sake, but with a view to pursuing our national interests in the broadest sense of the term, and that brings me to economic development. Taking steps to strengthen the economic links between Syria and the UK will bring opportunities for our two countries. During my visit to Damascus in January, more than one senior Syrian leader clearly told me that the UK was allowing other European countries to steal a march on it in terms of involvement in developing the Syrian economy. If there are contracts and jobs going, I would like them to go to the UK, rather than to Germany, France or Italy.

Stephen Hammond (Wimbledon) (Con): I apologise for being so late, but I was speaking at a conference, and I have come straight here. I want to follow on from my hon. Friend's point, because I was in Damascus in April, and Deputy Prime Minister al-Dardari made absolutely the same point. Given this country's strategic strength in financial services—notwithstanding what is happening in the world at the moment—and Syria's ambition to make more of Damascus as a financial centre, it is key that we exploit the situation and link with Syria to ensure that our national interest is protected.

Mr. Lidington: My hon. Friend puts the point very well. The welcome decision in March to reopen the Damascus securities exchange after half a century of closure was a welcome step. Such moves provide openings for the British financial services industry, and one thing that Syria will need in developing its commerce is capital.

When the Minister responds, I would be interested to hear what the Government's attitude is towards the EU-Syria association agreement. An updated version of the agreement was initialled in December 2008, but approval awaits a decision by member states. Does Britain regard progress on that updated agreement as conditional on further improvement in political relationships between Europe and Syria, or will it be judged only on economic and commercial criteria?

There are also opportunities for the UK in public administration. Another point that was made to me in Damascus was that Syria recognises the need to improve the quality of her public administration and would be looking to this country and other western partners to help in that project. I hope that we can take advantage of such opportunities, but, again, there is an issue that I want to raise with the Government. In the fairly recent past, there have been exploratory conversations between London and Damascus about giving such assistance, but they fell foul of the theology of the Department for International Development because Syria is not one of the poorest countries in the world. Although improving the capacity of Syria's public administration would be very much in the UK's national interest, DFID felt that it was unable to be of assistance, and as the Minister and I know, the Foreign Office budget is not exactly overflowing with gold pieces. There is therefore an issue for the Government to consider. Offering Syria such help may accord with our national interest, but the ways of providing it are being blocked.

On human rights, the evidence of religious toleration within Syria's overall secular framework is striking. It is at its most striking when one goes to the ancient central mosque in Damascus and sees the Christian shrine to the head of John the Baptist in the centre of the Muslim prayer hall. Although we rightly make, and should continue to make, many criticisms of Syria's human rights record, we should applaud its record of religious toleration and the freedom that Christian Churches, in particular, have had to thrive at a time when they have been under huge pressure in much of the middle east.

My hon. Friend the Member for Wycombe (Mr. Goodman) made a good point when he argued for steps to be taken to strengthen contact between Muslim religious scholars in Syria and their counterparts in the UK. When I met the Syrian Minister for Religious Affairs at the Oxford centre for Islamic studies, during his visit here, it seemed to me that he was interested in pursuing such an objective, and I hope that the Government will support that.

I hope, also, that the Minister will confirm that, while seeking better relations with Syria, the Government will not hold back from frank conversations about human rights. The 2009 Amnesty International report on Syria says that hundreds of people were arrested or detained for political reasons, that torture is still committed with impunity and that the military police in Syria were reported to have killed at least 17 detainees. We should not shrink from frank discussion with the Syrian

[Mr. Lidington]

Government about those abuses of human rights. In addition to bilateral conversations, if institutions such as the United Nations Human Rights Council are to work, and to be more than window dressing, we must show, along with other European countries, that we are prepared to hold countries around the world, friends and adversaries alike, to account within that forum for their human rights record.

I want to talk finally about foreign and regional policy. Like other hon. Members who have spoken, I hope that despite the difficulties of the past six months a way can be found to restart the talks hosted by Turkey that brought Israel and Syria, at least indirectly, into a conversation about a peace settlement and, in particular, the future of the Golan heights. Such a settlement, to which they came desperately close a few years ago, is in their strategic interest. Although anyone who considers Israeli-Syrian relations can understand the legacy of bitterness and mistrust at personal and national levels, such an agreement is in the interest of both countries.

It should be possible to achieve a deal on borders and demilitarisation arrangements, lease-back arrangements for particular peaks, and water, but other issues must be dealt with if there is to be an enduring settlement. Those involve Syria's relationship with the Palestinians. I hope that the Syrian track will be pursued; I suspect that it will be very difficult to disentangle a Syrian track to peace talks wholly from the Palestinian peace track. Two issues will have to be addressed. The first is Syria's relationship with Hamas. As we all know, Syria plays host to Khaled Mashal and one of the Hamas factions. I would be interested to know the Government's assessment of whether Damascus is trying to promote Palestinian unity, because it is difficult to envisage an enduring settlement between Israel and the Palestinians without a measure of Palestinian unity. Nor do I see that such Palestinian unity and a deal, or even a path towards a deal, with Israel, will be attainable without Hamas making concrete progress towards meeting the Quartet conditions.

There have been statements in recent months and years by various Hamas leaders. Sometimes we get a message in articles and interviews in the western press that seems not to be matched by what is said in Arabic language media in Gaza or elsewhere in the Arab world. Certainly I have not yet seen anything that persuades me that Hamas has made concrete progress towards accepting the Quartet conditions. However, it is clear to me that Syria has a significant influence over Hamas. Yet at the time of the Gaza conflict, in the early weeks of this year, we were getting very clear reports that it was Mr. Mashal and his faction in Damascus who were taking the hardest line in opposing efforts to try to broker a ceasefire and truce, to bring at least an immediate end to that bloody conflict, which was costing both lives and livelihoods. We should like a report from the Government on their assessment of Syria's policy towards Palestinian unity and the role of Hamas; and we should like to know whether the British Government are making their views clear in their conversations with the Syrian authorities.

If there is to be an enduring Israeli-Syrian settlement, the issue of arms supplies to Hezbollah across Syrian territory will have to be addressed. I find it hard to envisage any Israeli Government of any political tradition being willing to sign up to a peace treaty with Damascus unless the issue of Hezbollah's arms is addressed. That, in turn, means attending to issues affecting Lebanon, such as the Shebaa farms, and brings into the equation Syria's relationship with Iran. It is welcome that, as my hon. Friend the Member for West Suffolk said, the Lebanese elections took place peacefully, that the outcome seems to have been accepted by all parties in Lebanon as the fair outcome of the people's votes, and that there has not been the upsurge of violence or tension that many feared as the elections approached. I hope that that is a good augury for the future.

As to relations between Syria and Iran, I think the Government and Opposition would agree that we want fruitful engagement with Iran, but that the chances of that look, at the moment, sadly slim. Given Iran's history and population, it is entitled to expect us to take into account legitimate national and regional interests. It is within Iran's power to be a constructive player in the region, if it should so choose. It is sad that the current leadership seems to be turning its back on that prospect. Syria has access to the top leadership in Tehran—access that no western power enjoys. I simply ask the Minister whether the European Union or other western powers are seeking to use the Syrian channel to communicate messages to the top leadership in Tehran, as we cannot do so directly. Those conversations with Iran are so important, and the possibility of misunderstanding is so great, that even an indirect channel through Damascus is something we should be willing to use whenever possible.

10.39 am

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I congratulate the hon. Member for West Suffolk (Mr. Spring) on securing the debate. It is four years since we jousted on what was then called the Standing Committee on the Finance Bill. All I can say is what goes around comes around. I pay tribute to him for his tremendous work over a long time in trying to improve relationships and build awareness of the common interests between the people of Syria and the people of this country. He has played a significant leadership role in that respect.

I look forward to jousting with the hon. Member for Aylesbury (Mr. Lidington) in our respective Front-Bench roles. I applaud the consensual tone that he took this morning. I make the same point about the contribution made by the hon. Member for East Dunbartonshire (Jo Swinson). We are debating important and profound matters, and we should minimise party political differences whenever possible and fulfil our position responsibly and with a responsible tone.

I pay tribute to the work of the British Syrian Society and its aim to strengthen relationships at all levels of British and Syrian society. I thank my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) for drawing attention to the society's contribution.

Today's debate is particularly timely, given developments in the region, of which Syria is such an important part. We are seeing increasing engagement by the Obama Administration, including, as we heard, a recent visit to Damascus by Senator Mitchell. Recent elections in

Lebanon passed off smoothly, and Israel has a new Government who may be able to push forward a peace deal with Syria. For some time, the British Government have recognised the importance of the relationship between Syria and the United Kingdom, and I agree with the hon. Member for West Suffolk that Syria has a crucial role in ensuring peace, stability and prosperity in the middle east.

I turn to some of the specific points raised during the debate. The hon. Member for Wycombe (Mr. Goodman) and my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath asked how we can reach out to moderate Muslim voices, how we can encourage much closer contact between moderates in the middle east and in the UK and how we can bring scholars and young people together.

The first thing to put on record in such a debate is that those who preach hate or engage in violence represent a bastardisation of Islam, not a manifestation of it. It is incredibly important that we should say so at every opportunity. When speaking to Muslims, both here and throughout the world, we hear that the mainstream majority want us to make that point time and again.

I turn to the specific points raised by the hon. Member for Wycombe. We are working closely with Syrian bodies to exchange knowledge and wisdom on the question of scholars. We look forward to continuing exchanges between Syria and the United Kingdom, and the Government will most definitely support them. The British Council has programmes on student exchanges in partnership with Syrian organisations. I and my officials will be happy to brief the hon. Gentleman, so that we can discuss in more detail how those programmes should function.

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) raised an important matter. He has a long track record of speaking with great passion and commitment on the middle east, but today he raised the important question of refugees. My hon. Friend will be fully aware of our considerable assistance in Iraq. For example, the Department for International Development spent £16 million last year to support agencies working directly with refugees. The Government will continue to discuss the issue with the Syrian regime and the United Nations High Commissioner for Refugees. Future support, of course, will be a matter for DFID, which is my former Department—sadly, I can no longer make spending commitments on its behalf.

My hon. Friend the Member for Birmingham, Northfield and the hon. Member for Castle Point (Bob Spink) mentioned Christians. As we heard, Syria's is a rich and diverse society. When considering the plight of refugees, we should focus on supporting all refugees appropriately and improving their humanitarian situation.

The hon. Member for East Dunbartonshire spoke of Iran, as did the hon. Member for Aylesbury. A number of things need to be said. First, we believe that the will of the people of Iran, as expressed in the recent election, must prevail. That matter must be resolved. Secondly, it was entirely inappropriate for Iran to throw out two British diplomats during the past 48 hours; there was no justification whatever for that. Unfortunately, we have been obliged to summon the Iranian ambassador in London to the Foreign Office on three occasions during the past three days. On the first occasion, the deputy ambassador arrived. On the second two occasions, senior Foreign Office representatives met the ambassador. At the most recent meetings, we were obliged to ask Iran to remove two of its diplomatic staff from London. That does not assist us in trying to improve the relationship between our two countries.

Some of the rhetoric deployed by Iran against the United Kingdom over the past few days is clearly and unequivocally unacceptable and undesirable, and it does nothing to help Iran's relationship with the UK or with the rest of the international community. Indeed, during the past 24 hours, my right hon. Friend the Prime Minister has said that Iran has a choice: it can either be a part of the international community in every way—politically and economically, and from a security point of view, it is part of the solution—or it can stand aside. The consequences of the latter will clearly not be desirable to the people of Iran.

I also thank the hon. Members for East Dunbartonshire and for Aylesbury for being supportive of the Government's position and the way in which we are interacting with Iran at this difficult time.

Mr. Lidington: On behalf of the Opposition, I endorse the Minister's remarks completely. I invite him to agree that, although it must be for Iranians to decide how Iran should be governed, it is the demands of ordinary Iranians, not foreigners, to which the Iranian Government should respond.

Mr. Lewis: I agree entirely with the hon. Gentleman. For a Government to have legitimacy, credibility and authority, they must reflect the will of the people—otherwise, in whatever context they choose to identify themselves, theirs cannot claim to be a democratic country. That is clearly so, which is why the House must today repeat that message loudly and clearly and in a unified way.

The hon. Members for Aylesbury and for Wimbledon (Stephen Hammond) raised the question of economic ties. I shall deal specifically with the European Union's relationship with Syria. We welcome the steps that have been taken towards finalising the EU-Syria association agreement. For as long as Syria continues with its recent positive political developments, we are content to move forward with the association agreement.

It is clear that EU-Syria relations cannot be conducted without reference to the wider political context, particularly Syria's commitment to the Arab peace initiative. Matters to do with democracy and, more specifically, human rights will affect Syria's ability to trade properly or fully to take advantage of its economic opportunities and the economic challenges that the world faces. In the real world, questions of democracy and human rights cannot be separated from questions of trade and economic co-operation.

Richard Burden: My hon. Friend makes an important point about human rights affecting the ability to trade. I presume that he takes the same view of all countries in the middle east, particularly Israel. As I understand it, Government policy on the EU-Israel association agreement is that it provides a framework for encouraging progress on human rights. If that is the case for Israel, it should also be the case for Syria.

Mr. Lewis: My hon. Friend is absolutely right. Further progress on the EU-Israel association agreement depends on progress in the middle east peace process, as has been made clear in the dialogue within the EU and between it and the state of Israel. The hon. Member for Aylesbury raised a point about the UK's ability to help Syria with governance and administration issues. We shall consider any requests for such help sympathetically. Our embassy currently has a small number of civil society projects in which we work in co-operation with the Syrian Government, and I am happy to provide him with further information about those projects if that would be useful.

I think that I have dealt, more or less, with hon. Members' specific contributions, and I now want to talk in more detail about the UK's relationship with Syria and how we envisage the latter playing a crucial role in the middle east more generally. Our dialogue with the Syrian Government has focused on engaging with Syria, using our diplomatic tools to encourage progress in certain areas and urging a change of policy in others. However, we are realistic about the issues in our so-called critical dialogue with Syria. Our eyes are wide open and—to mix my metaphors—there is no danger of the wool being pulled over them.

That is part of a wider process. As the Foreign Secretary noted, in his recent speech on Islam in Oxford, Britain has embassies in 38 Muslim-majority countries and maintains diplomatic engagement with countries with which we have disagreements. The key point is that we seek to influence through engagement and dialogue. As part of that, last year, the Foreign Secretary visited Syria—the first British Cabinet Minister to do so since 2001—and my ministerial predecessor, who is now the Minister for the Armed Forces, visited Syria in April as part of our ongoing efforts to engage with it. I hope to visit the region over the next few months. Perhaps the hon. Member for West Suffolk would like to be my guide—that was not a totally serious offer, but we shall see.

As I have noted, we discuss a number of important issues with the Syrians—issues in which we have shared and mutual interests and in which Syria, as a significant power in the region, has an important role to play. What are those issues? We welcome past movement towards dialogue between Israel and Syria—crucially on both sides. It is obvious that talks between these two countries have the potential to provide a significant contribution towards a lasting and comprehensive middle east peace process. We want talks to continue on the basis of land for peace—full Israeli withdrawal from the Golan heights in exchange for peace and security for Israel with fully normalised bilateral relations. My hon. Friend the Member for Birmingham, Sparkbrook and Small Heath and the hon. Member for Aylesbury made that point.

We must also be clear, however, about the messages that we and others in the international community send when Syria continues to support the leadership of Hamas and Palestinian Islamic Jihad or when it continues to facilitate the supply of weapons to Hezbollah. Those actions are inconsistent with the openness of Syria to talk to Israel, and these issues will have to be addressed if there is to be peace between the two. We cannot have countries sitting around the negotiating table on the one hand and supporting, fostering and encouraging terrorist activities on the other. The UK cannot support such an approach.

One issue on which Syria has an opportunity to work productively with the international community is co-operation with the International Atomic Energy Agency. More recently, the IAEA has raised concern over uranium particles found in Syria, and we strongly urge Syria to co-operate with the investigation and to provide, without further delay, the access that the IAEA seeks. It is unacceptable for Syria to continue to refuse access. The US has provided compelling evidence to suggest that Syria was developing a nuclear reactor, and we strongly support the mandate of the IAEA to investigate those claims.

Another important part of Syria's role in the region relates to Iraq. It is important to acknowledge the number of positive measures that the Syrian Government have taken to improve relations with the Iraqi Government—a number of high-level visits between the two and the establishment of a joint working group to help secure the Syria-Iraq border. We should welcome those very positive steps. However, it is vital, for Syria's own security and as part of building its relations with the west, that it continues on the path of taking concerted action to tackle al-Qaeda and other terrorist groups. I welcome Foreign Minister Walid al-Muallem's statement that tackling al-Qaeda and other groups that use Syria as a transit route for attacks in Iraq is a high priority. The UK Government have made it clear to the Syrian Government that we are prepared to support and encourage their work in that respect.

We cannot, however, tackle extremism or find a resolution to the middle east conflict without regard to the human angle. We need to give people the confidence that their state will protect them and secure their rights. Syria's record on human rights is poor. There can be no excuse for, or dismissal of, that point when discussing our relationship. The Prime Minister has argued, and I agree, that ours is a global society in which universal rights and values still leave room for extraordinarily rich and different ways of living. As the hon. Member for West Suffolk pointed out, Syrian society is rich and diverse, with a tolerance for different faiths. There is much to welcome and applaud.

As the hon. Member for Aylesbury mentioned, however, over the past year, there has been a worrying deterioration in the human rights situation in Syria. Critics of the Government—those who call for peaceful democratic reform and those who post dissenting comments on internet blogs have been imprisoned—and as much as we might be tempted to go down that path, in this country, I can assure hon. Members that it will never happen. Sadly, however, disappearances, travel bans and arbitrary detention are increasingly common. There are reports of torture during interrogation and deaths in police custody. We continue, however, to call on Syria to implement internationally agreed minimum standards on the prevention of torture.

The Syrian authorities continue to crack down on peaceful forms of expression. In the biggest collective prosecution of Syrian dissidents in the past seven years, the 12 intellectuals and activists forming the Damascus declaration group appeared for sentencing at the criminal court on 29 October 2008. All defendants received two and a half years' imprisonment for the crimes of damaging

the dignity of the state and distributing false news—another interesting crime that we could think about putting on the statute book in this country. The defendants pleaded not guilty and have done nothing except peacefully exercise their fundamental rights, as guaranteed by the Syrian constitution and international law.

In recent months, there has also been a significant increase in arrests and harassment of Kurds. Hon. Members would like to make it clear that that is not acceptable. Kurdish rights are still not legitimised within the Syrian constitution. Three Syrian Kurds were killed after security forces opened fire on a demonstration marking Kurdish new year in March 2008. Such behaviour does not serve Syria well; nor does it help to bring peace to a region of extraordinary history and complexity.

I do not want to rehearse the history of Syria's relationship with Lebanon, because it is more useful to focus on the future. We welcome the decision by Syria and Lebanon to establish diplomatic relations and the arrival of respective ambassadors. We also welcome the peaceful conduct of elections in Lebanon and the acceptance by all parties of the outcome. These are important steps forward. However, Syria can do more. It is bound, by UN Security Council resolutions 1559, 1680 and 1701, not to interfere in Lebanese internal affairs, including through material support for Hezbollah. Instead, Syria should continue its regional role in promoting stability and political progress in Lebanon, including through its relations with Saudi Arabia. Demarcation of the Syria-Lebanon border and a resolution of the issue of those missing from both sides are urgent next steps. For too long, Lebanon has suffered from external interference of one kind or another, and Syria has a role to play in ensuring that Lebanon does not again fall victim to that.

Our dialogue with Syria concerns a number of serious issues, and some might argue that we should therefore not talk at all, but, like hon. Members, I disagree. Isolation is not the answer. We should be realistic, but we shall not ignore Syria or its important role. At this time of great importance in the region, the UK will, through high-ranking Ministers and senior officials, continue to make all efforts to address all the issues between the UK and Syria. This is a timely debate. None of us needs reminding of the importance of President Obama's speech in Cairo. He acknowledged the tensions, fears and mistrust that can exist between different peoples, but he also spoke of a new beginning based on trust and respect.

Edwin H. Friedman wrote:

"Leadership can be thought of as a capacity to define oneself to others in a way that clarifies and expands a vision of the future."

That is the challenge that Syria now faces. I am an optimist. I believe in democracy, and I urge the Syrian Government to seize the opportunity to provide the bold and far-sighted leadership that they are in a position to show. Syria can be a major part of the solution in the middle east. Integral to that will be a two-state solution based on an Israel free of terror and violence and on a viable Palestinian state.

Nitrate Vulnerable Zones

11 am

Christopher Fraser (South-West Norfolk) (Con): I am pleased to have the opportunity to raise the issue of nitrate vulnerable zones. I should like to thank the National Farmers Union for its expert knowledge, and the Environment Agency for its briefing. I secured this debate because the matter of nitrate vulnerable zones is of great concern to farmers in my constituency.

I should like to put it on record that I own farmland, but it is not in my constituency and it does not lie within a nitrate vulnerable zone. The sole purpose of this debate is to stand up for the interests of my constituents in Norfolk. Farmers there have had a tough time recently due to increased bureaucracy, extreme weather conditions and animal disease. The farming community makes an extremely important contribution to Britain's economy. Does the Minister not agree that that means that it is even more vital to ensure that farmers feel supported by the Government?

Although agriculture has been in general decline over the last century, it remains hugely important for rural employment and the rural economy as a whole. In South-West Norfolk, agriculture plays a large role in maintaining our local communities, which is why I have raised the issue of nitrate vulnerable zones on more than one occasion in Parliament.

All hon. Members with big farming communities in their constituencies have received a lot of correspondence from farmers who are worried about the new rules. Farmers have raised their concerns about closed periods for the spreading of manure, compulsory cover crops, slurry storage regulations, the lack of scientific evidence to justify changes and the increase in regulations and red tape.

Farmers have always accepted the fact that the environmental impact of farming practices must be addressed. However, more than anything they are dismayed by the associated costs of the regulations that have now come into force. The NFU estimates the average cost of extending slurry storage alone to be somewhere in the region of £50,000 per farm. Does the Minister accept that that is a huge additional cost, particularly in light of the fact that farmers are already struggling?

Moreover, there are a number of concerns surrounding the implementation of the nitrate vulnerable zone regulations, on which I shall concentrate. At this point, I should like to say that this is a timely debate. The Government have succeeded in securing a derogation from the livestock manure nitrogen limit in designated NVZs, which I welcome. It will allow farms up to 80 kg more nitrogen per hectare than the EU standard of 170 kg. At least 80 per cent. of the farmland is grassland, so such a measure will particularly benefit dairy farmers. It is likely that a statutory instrument relating to the derogation will be scheduled for the autumn. That will be a window of opportunity for the Government to consider and address other critical issues of concern.

Part 7 of the new regulations introduces a number of rules relating to slurry storage. By January 2012, farmers must provide at least six months' storage capacity for poultry manures and pig slurry, and at least five months' capacity for other types of livestock manure. Farmers must follow a defined process when calculating how

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much storage they need. They must ensure that storage facilities meet legal standards of construction as well as keeping annual records regarding all of the above. Until the next review in 2012, farmers will be subjected to a rigorous action programme to ensure that they meet the new guidelines.

It has now emerged that the Environment Agency believes that 6 per cent. of all farmland has been wrongly designated. That may sound insignificant, but we are talking about some 6,000 farms.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): Does my hon. Friend agree that there is some reason to be very concerned about the methodology that is being used to designate nitrate vulnerable zones? In my own constituency near Holsworthy, we have under appeal a nitrate vulnerable zone, in which the nitrate levels are attributable not to slurry or to farm run-off, but to a series of other factors that have nothing to do with farming.

Christopher Fraser: At the end of the day, there is a lot of confusion about nitrate vulnerable zones and the criteria under which farms have to operate. My hon. and learned Friend articulates very well the concerns of farmers in both his constituency and mine, which must be addressed by the Government today.

When I say 6,000 farms, I am including areas that were designated NVZs in 2002 but which did not technically meet the necessary criteria in 2006 under the new methodology that was used, yet the Department for Environment, Food and Rural Affairs took a policy decision to retain the farmland as NVZs on the ground that nitrate levels in those areas might increase again. Its justification for that decision can be found in step 6 of the surface and ground water methodology. Farmers in such zones will be expected to invest tens of thousands of pounds in additional slurry storage that may prove to be unnecessary. What is the Minister's response to the Environment Agency's assessment and does he recognise that there is an argument for amending the nitrate pollution prevention regulations so that they do not apply to those areas designated as NVZs under step 6 of the surface and ground water methodology?

DEFRA has said that the methodology used in 2006

"has been peer reviewed and accepted by reviewers so as to ensure it is fit for purpose and robust."

Step 6 was not part of the original peer-reviewed methodology. Does the Minister still believe that DEFRA's decision was robust, and does he recognise that farmers see it as yet another example of the Government's policy of unnecessary gold-plating? All areas including those not designated as NVZs were subject to a further four years of monitoring that came to an end in 2008. The date may or may not confirm that some farmland does not now require designation. When does the Minister expect the Environment Agency to complete its assessment of the new data? Moreover, can he prioritise the issue and ask the Environment Agency to analyse the information as speedily as possible?

That request is most urgent because the issue of slurry storage is a matter of capital investment for farmers across the country. Farmers will incur significant and possibly avoidable costs to meet the NVZ action programme requirements. If the Minister is not willing to commit to prioritising analysis of the new data, what consideration will he give to compensation for those farmers who, through no fault of their own, might lose out financially as a result of their land being wrongly designated?

Unlike in Northern Ireland, Scotland and Wales, English farmers receive no grants for building extra slurry storage. That requirement has been imposed on farmers and it has, unsurprisingly, come as a huge financial blow to them. Does the Minister not agree that the lack of grants for our farmers in England is discriminatory?

Having talked about the rules over slurry storage, I should like to touch briefly on closed periods for the spreading of manure and fertiliser. The new regulations mean that most farmers are prevented from spreading between September and February. That aspect of the regulations worried farmers before they came into force for a number of persuasive reasons. A farmer from my constituency said:

"Closed periods for spreading of manures does not really have any effect on diffuse pollution - muck is still to be spread on the land. Our weather is so unpredictable we could be spreading during a month of heavy rainfall, damaging soil structure or the next crop."

The NFU concurs with such arguments.

The closed period means that farmers will be spreading their manure when land is more likely to be waterlogged. With heavy vehicles going over the land, soil damage is inevitable. There is also a greater risk of run-off if the land is frozen solid. Before the regulations came into force, farmers had the freedom to spread manure at their discretion. Many, including most dairy farmers, would spread little and often to manage their lagoons, but closed periods mean that they are unable to do so. Why are the Government so reluctant to trust farmers to make informed decisions on when it is best to spread manure? Does the Minister accept that the closed period regulations are simply a barrier to farmers following good agricultural practice derived from their professional judgment and endless experience?

The Government are forcing farmers to operate under a prescriptive system that fails to take their experience into account. Does the Minister agree that it would be better to trust farmers to follow responsible farming practices? He could ensure, through regular inspections, that those who do not do so face the consequences.

One solution for farmers who will struggle to spread their manure during the very short available time frame is new technology. One company I know of has just developed an energy-efficient pulse jet irrigator that allows farmers to spread their manure quickly and effectively with a reduced risk of run-off. However, the technology is prohibited solely because its trajectory exceeds by a small margin the 4 m limit. That is another example of the regulations making it harder for farmers to operate efficiently and cost-effectively.

I do not want to endorse one particular company, but will the Minister assure me that DEFRA is taking into account the development of new technologies that could help farmers to cope with the new rules? Does he believe that in some cases, there might be an argument for amending the regulations, particularly if that would benefit farmers?

The methodology for designation for the next review in 2012 is not yet fixed, but it needs to be improved. The Environment Agency developed the current designation method under considerable time pressures, and I believe that it contains weaknesses. If an area has a lot of sewage points, it will be designated as nitrate vulnerable. However, that may not reflect agriculture in the area. As a result, farmers have to bear high costs through no fault of their own. That is unfair and it must be addressed as a matter of great urgency. Will the Minister confirm that DEFRA is looking at amending the methodology as a matter of priority in time for the next NVZ review? I am aware that the network of monitoring points was reviewed in 2007, but given that NVZs are based on historical data, it could be several years before data from the old network are removed from the system.

Mr. Cox: The Minister might be able to help us on one matter. There is a huge number of outstanding appeals in connection with current designations. Will he give us some sort of timetable for the disposal of those appeals? Many farmers are living in suspense and are unable to make business decisions.

Christopher Fraser: My hon. and learned Friend makes a first-class point. Appeal processes cause enormous disruption to farms and the processes within farms. I know the Minister to be a decent and genuine man, and I am sure that he will give fair consideration to that point.

The financial burdens are inappropriate and unnecessary, particularly in a period of flux concerning appeals and processes, and they create a major problem for rural businesses that are already suffering. Does the Minister recognise the frustration that farmers feel when their land has been designated as a result of sewage discharge, particularly given that nitrate from sewage works is dealt with by the urban waste water treatment directive, which is an entirely different directive? Moreover, although all farms must take action when nitrate levels are considered a problem, only certain sewage works are required to do the same. Does he accept the need to reduce emissions of nitrate from sewage works that drain to waters that are nitrate polluted? What is he going to do to ensure that that happens?

The new regulations that apply to NVZs have huge financial implications for farmers—I cannot over-emphasise that point. I believe it to be incumbent on the Government to implement the rules fairly and accurately across the board. So far, they have fallen short on that duty, and farmers have been left in the lurch. I look forward to the Minister addressing the various points that I have made, so that we can return to our constituencies and assure our farmers of a brighter future.

11.16 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I congratulate the hon. Member for South-West Norfolk (Christopher Fraser) on making a good speech on behalf of his constituents and the agricultural industry, and on securing this debate. He spoke very well indeed.

The hon. Gentleman raises some important issues, and I am not going to rehash why we need the measures and what we feel about water. It is sufficient to say that it is a prime Government objective to protect water, improve the condition of protected sites and enhance biodiversity. We do not resile from those imperatives, and nor would he and his colleagues.

We must put the debate in the context that we have achieved substantial improvement in the past couple of decades. That is good news, but it does not mean that we have succeeded entirely. In fact, the continuing high levels of nitrate in our waters from various sources remain a concern and they are a significant cause of water pollution. The costs for treating water to meet drinking water requirements on nitrates during the period 2005 to 2010 are estimated to be £288 million in capital expenditure and £6 million per year in operating expenditure—not insignificant amounts. The costs of environmental damage to river and wetland ecosystems and natural habitats are estimated to be in the region of £716 million to £1,297 million per year.

This is not entirely about farming, as was rightly pointed out, but we estimate that agriculture contributes approximately 60 per cent. of nitrogen entering our rivers. We cannot get away from that. Therefore, farmers are part of the solution and have a key role in reducing such pollution. Their actions will also contribute to meeting the more demanding environmental objectives of the water framework directive, which is coming down the track towards us.

We carried out a review of the action programme and introduced some changes. The review of nitrate pollution and the effectiveness of the old action programme measures highlighted that we continue to have one of the highest levels of nitrate pollution in Europe. Although the monitoring data suggest that nitrate levels in many surface waters have a downward trend, we have no certain basis on which to conclude that they are significant or, importantly, sustained trends. We do not want ping-pong, back and forth; we need to ensure that the trends are sustained. Our review showed that concentrations remain high and that they are increasing in some areas, particularly in ground waters. That is part of the reason why we increased the coverage of NVZs from 55 to 70 per cent. in England.

During the review, we took on board the views of stakeholders through the consultation process and made a number of significant amendments to our original proposals as a result. For example, farmers told us that the proposed requirement for cover crops to be established on land left bare over the autumn and winter could cause significant practical difficulties, and they were right. We listened to their concerns and as a result removed the measure from the programme.

We also had to take on board concerns raised by the European Commission through infraction proceedings—the dread of any Minister—that were ongoing at the time. We had extended discussions with the Commission, which considered that, up to that point, successive Governments' efforts to implement the directive were insufficient.

Christopher Fraser: I have two things to ask the Minister. First, if he could answer in due course the specific points that I raised in my speech, I would be grateful, bearing in mind the time frame. Secondly, in terms of what is going on across Europe, does he have time to address my point about the need for a level playing field? In Northern Ireland, Ireland, Scotland

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and Wales, grants are available for slurry storage, but they are not available in England. That is discriminatory to English farmers.

Huw Irranca-Davies: In the time remaining, I will try to answer the hon. Gentleman's points. If I leave any unanswered, I will ensure that I write to him.

On the issue of gold-plating and what is happening in other European member states, it was clear that we were lagging behind in implementation and in achieving environmental outcomes. The revised action programme brings us more into line with action being taken in other member states. However, I must point out that some of them have more stringent requirements. For example, 12 months' slurry storage is required in Finland, satellites are used to check compliance in Belgium and applications of fertiliser are restricted below economic optimum in Denmark. I just wanted to put that issue in context.

We believe firmly that the revised action programme measures represent the best possible outcome to advance our aims of protecting the water environment and meeting our legal obligations while taking account of the impact on farmers as well. Their concerns are quite practical. We recognise that farmers may face significant costs as a result of the revised action programme. In some instances, those costs might prove difficult to meet, especially in light of the current economic climate and the recent collapse of Dairy Farmers of Britain.

However, we do not intend to change our position on grant support, and I will explain why. No new Government money will be provided to help with construction of additional manure storage facilities. I heard what the hon. Gentleman said about other countries, but experience indicates clearly that awarding capital grants can, for example, increase storage tank supply prices—we have seen that happen before—and postpone the impact of market forces. Providing grants would also contravene the "polluter pays" principle, to which I think we all generally sign up, and we prefer to avoid putting public funds towards securing compliance with regulatory standards. However, we remain committed to improving how we regulate and enforce regulation and to keeping administrative burdens to a minimum, and we will seek to do so.

For example, we recently announced our success in obtaining a derogation from the livestock manure N farm limit of 170 kg of nitrate per hectare per year, which was one of the more demanding requirements of the directive. I note the hon. Gentleman's welcome of that announcement. In the short term, it will reduce the economic cost to the livestock industry significantly, by between £16.9 million and £21.7 million a year. That represents about 50 per cent. of the overall cost to the dairy sector.

There are also numerous existing sources of financial support for our farmers, and we need to do our best to highlight them. For example, help is available under the England catchment sensitive farming delivery initiative and the rural development programme. Slurry storage facilities are eligible for plant and machinery allowances such as the annual investment allowance, which is capped at £50,000 per year. Slurry pits also qualify for allowances in their own right under the Capital Allowances Act 2001. In recognition of the fact that farmers will need time to comply with some of the measures, we have also given them a period of adjustment. They will have until 2012 to comply with the requirement to have extra storage facilities.

Christopher Fraser: Can the Minister confirm what the National Farmers Union and other farming organisations have estimated to be the average cost of extending slurry storage? They say that it will cost about £50,000 per farm. That is a high price to pay and a big commitment to make while not knowing what the outcome will be.

Huw Irranca-Davies: I cannot confirm the exact costs, but as I mentioned in my opening remarks, we recognise that they could be significant. When I was on a farm the other day, I spoke with a gentleman who had purchased the equipment second-hand from another farmer down the road who was upgrading his equipment; he had made a killing on it. Fair dos. I speak from my own family background: farmers can be a good and ingenious lot who ensure that they maximise their economic ou[illegible] However, the costs could well be significant.

The hon. Gentleman raised a specific point about de-designation. As a result of the latest review, we de-designated some small areas originally designated in 2002, amounting to about 1.5 per cent. of England. That was done on the basis of improvements in the monitoring of ground water quality and the use of hydrological knowledge and data that allowed us to identify more accurately where polluted ground waters and their catchments were.

The review also identified that there are small areas of the NVZs that drain to waters which no longer have nitrate concentrations above the "polluted" threshold of 50 mg. However, I must make it clear that those areas were not wrongly designated. They were correctly identified as polluted at the time of the previous round of NVZ designations in 2002. They were not de-designated following the latest review, owing to issues with sustainability. The data are insufficient for us to be confident that the observed improvement in water quality would be sustained. That might change, but at the moment, if we de-designate, we could well start ping-ponging back and forth. It could be to the disadvantage of farmers if we de-designated them and then had to re-designate them if the improvement proved unsustainable.

We have taken the decision to develop a methodology in good time for the next four-yearly review. I have noted the hon. Gentleman's comments about timeliness; I will ensure that that is done and keep my foot on the throttle. I also noted the comments that farmers in potential de-designation areas might have to commit to significant expenditure even though the application of the action programme rules in those areas might be short-lived. As the Minister responsible, I recognise that that issue is important and thank him for raising it. We will engage actively with the agricultural industry and farmers in the areas concerned—we know where they are—to discuss the options and how to resolve the situation. We do not want to be impractical; we want to work with them to find a way through.

I reassure the hon. Gentleman that we are continuing our work to improve the methodology in good time to reflect improvements in scientific understanding. We

will develop those improvements in consultation with stakeholders and academic experts, using peer review where necessary.

In conclusion, we are continuing work to ensure that our implementation of the nitrates directive achieves the right balance between achieving sustainable and efficient farming practices, allowing as much flexibility for farmers as possible and minimising unnecessary costs and burdens, and respecting the need to improve water quality through the regulatory framework set down in the nitrates directive.

Christopher Fraser: I am grateful to the Minister for giving way for the last time, as we have a few minutes left and he said "in conclusion". Will he address my question about closed periods and tell us why the Government are so reluctant to trust farmers to make informed decisions in their farms' best interests? The Government are being prescriptive. Farmers have had generations of experience, and occasionally Departments have not.

Huw Irranca-Davies: That is a good point, and I apologise for not addressing it. I am glad that we have a little time left. The action programme prohibits slurry applications to waterlogged and frozen land. Farmers need to assess the risk of run-off before applying slurry, using their own judgment, and to apply it only when ground conditions are suitable, but the closed periods are designed to avoid the risk of contamination through run-off of ground water in tricky conditions at certain times of the year.

The hon. Gentleman mentioned sewage treatment works. We implement the European Community urban waste water treatment directive, which sets the standard for treatment at sewage treatment works. We are equally committed to driving that through as well. He was right to make the point that it is not only about what comes from the agricultural industry. That is a significant part of the problem, but it is also about the other ways that we treat sewage.

As has been pointed out, we need to take a proportionate approach to the issue while recognising our rightful commitments to maintaining water quality. We will continue to engage with the industry—I welcome the opportunity that the hon. Gentleman has given us to reiterate that fact—and to work with his constituents and many others throughout the country who, I am sure, share our desire to achieve good water quality standards and ensure that our farmers are assisted with advice, support and, occasionally, through the measures that I mentioned, financial help. They will be signposted towards such help where it can assist them.

11.29 am

Sitting suspended.

Equitable Life

2.30 pm

Mr. Fabian Hamilton (Leeds, North-East) (Lab): It is a pleasure to see you in the Chair, Mr. Caton.

So much has been written and said over the last few years about the collapse of Equitable Life that I begin this debate with some trepidation, especially as the previous debate in this House was barely a month ago and was introduced by the right hon. Member for Haltemprice and Howden (David Davis). Although our political perspectives are very different, he is a Member of this House for whom I have the greatest respect.

Today, I wish to make a further attempt to advance the just cause of many of my constituents who have been so badly affected by what has happened to Equitable Life, and whose lives have been altered radically as a result. I am certain that I am not alone in that. The debate of 19 May showed how many hon. Members take a close interest in the issue. My aim is not simply to repeat that and other debates, but to add something new from the experiences of my constituents, and to give other hon. Members the chance to make contributions.

My most important aim is to persuade the Government to agree to the recommendations of the parliamentary ombudsman's original report, "Equitable Life: a decade of regulatory failure", which was published in July 2008. Since the publication of that report, the Public Administration Committee has produced a report entitled, "Justice Delayed" on 11 December 2008 and just last month, on 5 May, the parliamentary ombudsman published a further report, "Injustice unremedied: the Government's response on Equitable Life". There is no shortage of reports, just a shortage of justice for those who, through no fault of their own, have suffered huge losses in the life savings that they accrued over years of hard work. Surely that cannot be right.

I admit that, like many hon. Members who until recently knew little about how all this came about, I was not very sympathetic at first. However, as it became clear that, as much as the world's oldest mutual insurance company had overstretched itself, the real issue was poor regulation, I became more and more concerned and so more and more interested in what my constituents were telling me. I suspect that that experience has echoed around the whole House and that there is not one hon. Member who has not received correspondence from their constituents about Equitable Life. That is reflected by the attendance at this debate.

It may be helpful if I reiterate a brief history of how this disaster came about before I recount some of the personal tragedies that resulted from the poor management and disastrous regulation of Equitable Life.

Sir Paul Beresford (Mole Valley) (Con): I suspect that the hon. Gentleman is right that every MP has constituents with such difficulties. I probably have more than most because of the spread and make-up of my constituency. The damage that this matter has done to people who have worked and paid for their retirement is enormous. I have two points to make. First, we should move the compensation and have it early. Secondly, we should take the partiality of the scheme away.

Mr. Hamilton: I hope that the hon. Gentleman will listen carefully to my speech because it will include many of the points that he has rightly raised. I hope that he will be satisfied that I am pressing for the same things.

Equitable Life was founded in 1762 as a mutual insurance company, based on the ideas of Charles Dodson, a fellow of the Royal Society and a man well ahead of his time. It started selling pensions as early as 1913, but it was not until 1957 that the society started selling its infamous guaranteed annuity rate pensions, which gave a clear and unambiguous return on capital invested, depending on the age at which the policyholder decided to start taking the annuity. That carried on until 1988, when the society realised that its rates were so good and so far ahead of the rest of the market that they were unsustainable. In December 2000, Equitable Life was forced to close to new business. By that time, it had more than 1.5 million members. That is why so many hon. Members have so many constituents who have suffered.

The introduction to the December 2008 Public Administration Committee report stated:

> "Over the last eight years many of those members and their families have suffered great anxiety as policy values were cut and pension payments reduced. Many are no longer alive, and will be unable to benefit personally from any compensation. We share both a deep sense of frustration and continuing outrage that the situation has remained unresolved for so long."

Last month, on 5 May, frustrated that little had happened since her long-awaited initial report in July 2008, the parliamentary ombudsman, Ann Abraham, published a second report, "Injustice unremedied: the Government's response on Equitable Life". It was scathing about the inaction on her initial recommendations of July 2008:

> "I was deeply disappointed that the Government chose to reject many of the findings that I had made, when I was acting independently on behalf of Parliament and after a detailed and exhaustive investigation."

Sir Alan Beith (Berwick-upon-Tweed) (LD): I must declare an interest as a small policyholder with Equitable Life, although my policy was nowhere near as large as that of many of my constituents who have been affected.

Is not part of the significance of the ombudsman's report that it stated that regulatory failure was only part of the cause, and that another part was the appalling mismanagement of Equitable Life, to which the hon. Gentleman has referred? In identifying regulatory failure as a separate matter, she provided the Government with an avenue for what would be reasonable compensation. The Government's refusal to implement her report is appalling.

Mr. Hamilton: I thank the right hon. Gentleman for that intervention. I will go on to talk about the regulatory failure and why I think that there should be a proper compensation scheme. I hope that I will cover some of the points that he rightly raised.

The conclusion of the parliamentary ombudsman's report of 5 May stated:

> "In this case, I am satisfied that the injustice I found in my report to have resulted from maladministration on the part of the public bodies responsible for the prudential regulation of the Society has not so far been remedied."

I said earlier that I would highlight some of the many cases that have been brought to my attention by my constituents, and I am sure that we could all raise such cases. The majority of the public, who have had no contact with or money invested in Equitable Life, would be forgiven for thinking that only those who had considerable investment in the company have lost out over recent years. The reality is different, as the examples will show. I have protected the names of my constituents by using initials.

Mrs. H of north Leeds told me that her modest £200 a month income was reduced overnight to less than £100 a month, although it is now back up to about £120. She is 83 and was completely dependent on that £200 a month. When it was reduced by more than half, she found it hard to cope financially. It was only the help of her ex-husband that kept her going. She still struggles every month because of the continued shortfall in her income.

At the other end of the scale, Mr. A is a retired solicitor who started investing in a pension policy with Equitable Life in his mid-30s. Given the record of the company and the projections for growth over succeeding years, that would have given him a fund large enough to pay a substantial income from the annuity that he would have started aged 65. He is now 61. Not only has he seen no growth in his fund over the past few years, but the annuity he was guaranteed is no longer possible. He lost out twice: first, when his investment failed to reach its promised level and, secondly, when he discovered that the guaranteed annuity rate had been abolished. The fund was far lower than he had planned.

Mr. A provided the following example. Say he had invested a total of £100,000 in 1997. According to Equitable Life's plan, that sum should have grown to about £133,000 by 2000. However, because the society had frozen all investments by that time, his fund would have remained at £100,000.

In order to halt the reduction in the value of his investment, Mr. A decided to move the fund to another company and paid a penalty of £20,000 for the privilege. That is a high penalty, but is sadly not uncommon in the industry. In 1997 he had an investment of £100,000, which he could have reasonably believed would have helped to provide part of an annuity that would have guaranteed him a good pension income. Three years later, he had only £80,000 to invest—a loss of £53,000 compared with what he might have expected, or a reduction of just under 40 per cent. in the value of his fund.

Dr. C is a retired consultant who lost more than £25,000 after investing £100,000 in Equitable Life. He spread his investments carefully, so although he is angry at his loss, he has not been left destitute. However, he blames the regulatory regime that allowed this to happen in the first place.

Miss Julie Kirkbride (Bromsgrove) (Con): The hon. Gentleman is right to say that some people have experienced considerable loss and that others have had less of a loss. Nevertheless, people have still lost an important income on which they were relying for their old age. The terrible thing about Equitable Life is that in seeking to look after themselves in their old age, the 1.5 million policyholders were doing the right thing by themselves and for society, yet they have been very badly let down. That is why Parliament has to act.

Mr. Hamilton: The hon. Lady is right. Later in my remarks, I shall address the points that she has made.

Why is the regulator to blame? Surely investors must have understood that their investments could decrease as well as increase. How could Equitable Life have maintained a rate of return and a guaranteed annuity rate that was way beyond any competitor in the market? Those are the questions that Ann Abraham addressed in her initial report of July 2008, which took four years to complete. Her answers go to the heart of the anger expressed by investors through the Equitable Members Action Group, or EMAG.

At the core of the problem is the fact that Equitable Life simply could not meet the obligations that it had made for itself because it made no provision for guarantees against low interest rates on policies issued before 1988. It therefore declared bonuses out of all proportion to its profits and assets. Following the ruling of the House of Lords in July 2000, the society stopped taking new business in December of that year, which effectively spelt the end for Equitable. More than 1 million policyholders then found that they faced cuts in their bonuses and annuities, which caused a huge loss of income, on which many small investors had depended. After all, the average investment for the 500,000 individual policyholders was just £45,000, which, according to EMAG, even at its height yielded no more than £300 a month.

In July 2001, the new board of directors slashed policy values by 16 per cent.—about £4 billion—and proceeded to effect a compromise scheme to deal with the guaranteed annuity rate issue. However, Equitable Life's problems were too deep-seated, so the scheme was not enough to enable it to ride out the stock market falls of 2001-02. In 2002, policy values were cut by another 10 per cent. and the society was forced to invest almost exclusively in fixed interest stocks. Almost none of its money was invested in equity shares, so it could not operate as a with-profit insurer and its policyholders did not benefit from the stock market's substantial rise between 2003 to 2007.

As I am sure we all remember, in 2004, Lord Penrose carried out an investigation into Equitable Life. However, he had no power to apportion blame or recommend compensation. He highlighted the society's unsustainable bonus policy and the

"practices of dubious actuarial merit"

that it used to discourage action by the regulators. He concluded:

"Principally, the Society was the author of its own misfortunes."

However, crucially, he went on to say:

"but it may be appropriate to comment that the practices of the Society's management could not have been sustained over a material part of the 1990s had there been in place an appropriate regulatory structure adapted to the requirements of a changing industry that happened to manifest themselves in an extreme form in the case of Equitable Life."

He also found that

"the standards of scrutiny still impress me as complacent, lacking challenge, and hesitant in criticism and in following up on any criticism made."

In its December 2008 report, one of the many recommendations of the Public Administration Committee stated:

"We strongly support the Ombudsman's recommendation for the creation of a compensation scheme to pay for the loss that has been suffered by Equitable Life's members as a result of maladministration. Where regulators have been shown to fail so thoroughly, compensation should be a duty, not a matter of choice."

Although the Select Committee fully acknowledged the huge sums of money that might be involved and the need to strike a careful balance between the interests of the taxpayer and the policyholder, it went on to conclude:

"Not only did the regulators fail, but they failed over a prolonged period and at a fundamental level. The impact has been severe for many of those who were worst affected; it would be unacceptable for current financial pressure to override failings which took place seven or more years ago."

Mr. Oliver Letwin (West Dorset) (Con): Like the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), I declare an interest in that my wife was an Equitable Life pension holder at the time. When the Penrose report came out and we debated that issue, I remember the reluctance of the ombudsman to take on the task. At that time, Ministers made it clear that they did not believe that there was administrative and regulatory failure. Does the hon. Gentleman agree that it is still a mystery why Ministers have rejected most of the ombudsman's recommendations, given that the ombudsman was so clear that there was administrative and regulatory failure?

Mr. Hamilton: Yes, I certainly agree with the right hon. Gentleman. Again, I will go on to highlight that matter further on in my remarks—I am afraid that we are not quite at the end of them yet.

The Public Administration Committee also said:

"It would also be wrong for the Government to refuse compensation on the basis of Lord Penrose's conclusion that Equitable Life was 'principally…the author of its own misfortunes.'"

Paragraph 50 of the report begins:

"The decision to compensate must not, however, be the equivalent of signing a blank cheque on taxpayers' behalf."

But the Committee concludes:

"We also highlight the Ombudsman's conclusion that not all policyholders suffered loss; this should not be a case of compensation for all."

I am sure that many hon. Members will recall that, on 15 January this year, the then Treasury Minister, who is now the Secretary of State for Work and Pensions, delivered a fulsome apology in the House. She implied that there was a comprehensive acceptance of the Parliamentary ombudsman's report and said that she would provide the services of a retired Lord Justice of Appeal, Sir John Chadwick, to deal with the technicalities of the recommendations.

Jo Swinson (East Dunbartonshire) (LD): Does the hon. Gentleman accept that, nearly a year on, the recommendations are not being dealt with? Indeed, I understand that Sir John Chadwick has refused to meet 140 members of the all-party group on justice for Equitable Life policyholders. Does he not think it is absolutely shocking that somebody whom the Government have appointed to deal with the recommendations will not even listen to a large group of MPs who have constituents with concerns?

Mr. Hamilton: Yes, I agree with the hon. Lady. I will address some of her points in a minute. I am not quite sure where I got to. The Secretary of State for Work and Pensions, who was the then Treasury Minister, delivered a fulsome apology—*[Interruption.]* It was a fulsome apology—these are the words of EMAG, in fact.

Susan Kramer (Richmond Park) (LD): I am grateful to the hon. Gentleman for giving way twice on the same point. Does he not agree that many Equitable Life policyholders felt great hope when they heard of the appointment of Sir John, but having seen his June publication—his proposals on the approach to be adopted—they are now shattered to find that he believes his terms of reference allow him to look only at a limited and narrow number of issues? Few people will therefore receive any compensation, and those who do are likely to receive a minimal amount.

Mr. Hamilton: I thank the hon. Lady for her comments. Again, I hope to address some of those points in a few minutes. I have some proposals that I hope the Minister will respond to positively. I live in hope—*[Interruption.]* One has to be an eternal optimist to be in this job.

It appeared that compensation was on the horizon for the victims of the Equitable Life scandal; but sadly, that was not the case. What was not said was that the Command Paper released later that day—15 January—was totally at odds with the tone of the statement. In the small print, the apology, the ex gratia payments scheme and the Treasury's instruction to Sir John Chadwick were all restricted to those findings of the parliamentary ombudsman that the Treasury accepted. However, it rejected three out of four of the most expensive of the ombudsman's recommendations.

Earlier this month, Sir John Chadwick published a document, "Equitable Life ex-gratia payment scheme", with the subtitle, "My proposals as to the approach to be adopted and the issues to be addressed". In the document, he repeats that the Government accept the ombudsman's finding that the injustice suffered by policyholders should be looked at on an individual basis. He states that he is satisfied that his terms of reference do not require him to engage in any form of means-testing in relation to individual policyholders, but that they oblige him to disregard any of the ombudsman's findings of maladministration and injustice, which are not accepted by the Government.

Surely, the fatal flaw in the Treasury's proposals is that Sir John Chadwick cannot satisfy either the policyholders represented by EMAG, the parliamentary ombudsman, the Public Administration Committee or, indeed, what remains of Equitable Life itself unless he has a remit to address all the recommendations made in Ann Abraham's original report of July 2008. That is why she published her further report last month, and that is one reason why I requested this debate in the first place.

EMAG tells me that, ultimately, the amount of compensation is a matter for Parliament, rather than the ombudsman or a court. EMAG states:

"Like Ann Abraham, we know that theoretically Parliament could decide upon compensation of any amount, from billions of pounds down to nothing. Indeed, we have suggested that Parliament sets the total compensation amount and lets the Parliamentary Ombudsman's proposed Tribunal get on with distributing it fairly and swiftly."

Along with many countries in the western world, we have a growing problem of an ageing population that needs to be encouraged to make greater provision for its own retirement and old age. The state simply will not have sufficient resources to provide enough money in statutory pension payments. The problem will only become worse as the years pass and the proportion of younger people in work reduces in relation to those in retirement. It is already clear that my generation, now in our mid-50s, will have to work longer before retirement. However, unless we can save more and see our savings growing securely, there will be little confidence that there is any point in saving at all.

The Equitable Life scandal has severely reduced the confidence that the people of this country have in the principle of saving for retirement. If investing a large proportion of earnings results in it either disappearing or greatly reducing in value, the lack of trust in the system will remove any incentive to make personal provision from a lifetime's earnings and lead to increased poverty in old age.

Bob Spink (Castle Point) (Ind): I declare an interest: like many MPs, I had an Equitable Life policy. We know that even with the ombudsman's public and formal indictment of the Government, they will continue to prevaricate. Is it not time that Parliament, on a cross-party basis, took hold of the issue and forced it forward, as it did with the Gurkhas? Is that not what we should be doing now?

Mr. Hamilton: There is a reasonable spread of Members here from all parties. I would hope that perhaps Parliament could do that, under the leadership of our new Speaker. Let me finish my remarks, and perhaps the hon. Gentleman will want to come in, if he is able to.

In the end, of course, the state will have to foot the bill, thus increasing the cost to all of us through higher taxation. It is imperative that we are able to save, and able to save reliably, knowing that our money will not be wasted or disappear through incompetence.

It has been said that this scandal affected only the well-off and that ordinary people with relatively small savings were not involved. Let me remind hon. Members and the Government that EMAG told the Public Administration Committee that

"the majority of Equitable Life's policyholders had modest sized pensions and were not 'fat cats' who 'risked their money to get above average returns'. In particular, the average investment of the half million individual policyholders amounted to £45,000 each, which in today's money would buy a pension paying around £75 per week."

To conclude, I ask the Minister these questions. Will she amend Sir John Chadwick's terms of reference to include all the recommendations of the parliamentary ombudsman's report, "Equitable Life: a decade of regulatory failure"? Will she agree to implement the proposal put by EMAG that Parliament sets a total amount of compensation for individual policyholders affected by the collapse of Equitable Life, and then allows the proposed tribunal to get on with the job of distributing the money quickly and fairly? Will she accept that the delay caused so far has meant that many

policyholders, who suffered through no fault of their own, have either endured financial hardship or have died in the meantime? I believe that up to 15 people die each week.

Bob Spink: Each day.

Mr. Hamilton: Sorry—each day. That is even worse. I will say "each week," because that is the statistic that I was given, but even that is unacceptable.

David Davis (Haltemprice and Howden) (Con): I am sorry to interrupt the hon. Gentleman's conclusion, but he made a comment earlier that may not be true. He said that it will cost more if the Government take a long time to deal with the issue. The very fact that he just mentioned a death rate of 15 a day—thousands a year—may mean that this gets cheaper over time. Would he ask the Minister how much is being saved as a result of the mortality rate of Equitable Life policyholders, so that we can know what the incentive to the Treasury is to take a long time over this?

Bob Spink *rose—*

Mr. Hamilton: I give way to the hon. Gentleman.

Bob Spink: The Library note said 15 per day.

Mr. Hamilton: Per day—okay, I shall correct the record and say "per day," if that is what the Library note says.

I thank the right hon. Member for Haltemprice and Howden for his remark, but my point was based on the fact that if few of us save for our retirement because we have no confidence that the system will yield sufficient return, it will cost the Treasury and the state considerably more. I was not referring to those who die each day.

Finally, does the Minister accept that the phrase "injustice unremedied" has real meaning to many people and that it is about time that hundreds of thousands of investors received real justice? If she were able to answer those questions positively, I believe that this injustice could be brought to an end rapidly and that the Government would receive credit for their resolution. If not, I fear that resentment and bitterness will continue, at huge cost to the individuals who have suffered and to the country as a whole.

2.57 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I am staggered but absolutely delighted to be called so early, Mr. Caton. As an independent, I have not had to choose where to go this afternoon, because other independents are speaking, I hope, in the debate in the main Chamber. I relish this opportunity and thank you for calling me.

Like many hon. Members, I have a large number of constituents who have suffered from the situation under discussion. The number of letters that I have received on the matter competes with that on any other affair in which I have been involved. The correspondence goes back a long time, and many of the people who have been writing have been persistent.

What makes the situation so bad is that it has been such a rollercoaster. There have been moments of deep gloom, and moments of slight optimism. When the ombudsman's report came out after four years of investigation, there was hope and optimism, but it was transient. There was an apology, but, as we know from the health service, an apology is easy to give but means nothing if it does not lead to action. Action and, obviously, compensation are needed.

In the few minutes available to me, I want to read some quotes from some of the letters that I, like the hon. Member for Leeds, North-East (Mr. Hamilton), have received. I wish to remind the House and the Minister of people's anger and complete frustration.

This is from a letter dated 19 January that was written following the Commons statement:

"Yes I would like to comment but will keep these comments brief least my disappointment makes my 'pen' run red. I consider the statement, some 10 years in the making was abysmal. It was deliberately vague, timescales are non-existent and it depends on public finances...Maybe they hope that if they can defer any payment for another 10 years, the remaining members will have died or will not be able to remember that Equitable Life even existed."

Another long letter, of which I will read only a little, mentions the personal loss by a couple who had put all their savings into Equitable Life on the advice of various Governments and trusted regulatory bodies. Their pension expectation is now less than 20 per cent. of what they thought it would be. They make a cutting comment:

"While the government merely sat back and absolved itself of all responsibility, its only action was to resolve the issue as far as their own members were concerned granting all MPs, many of whom had entrusted their own pensions to Equitable Life, a generous and secure pension funded by myself and other taxpayers."

The letter continued:

"I also find it sad that the cost of any request for justice must inevitably fall on the taxpayer and am therefore reluctant to pursue this issue."

Sir John Butterfill (Bournemouth, West) (Con): Does the hon. Gentleman agree that the present position not only undermines people's faith in their ability to invest for their future, but significantly undermines the office of the ombudsman and the public's belief that they may obtain some redress for wrongdoing by going to the ombudsman? We have a brave ombudsman, and she should have had better recognition.

Dr. Taylor: I am grateful for that intervention, and that will be one of my main concluding points.

Other letters that I have received emphasise how much and how many people had put all their savings into Equitable Life, because they were probably not brought up to know that one should not put all one's eggs in one basket. They put them all in one basket, and they have lost vast amounts. One investor transferred funds from his company's final salary scheme as recently as 2004. He asks:

"Could it be possible that the society was insolvent when my funds were transferred in 2004 from my company's final salary scheme? Probably I will never know."

Another correspondent, who has written frequently for many years to the Prime Minister and the Chancellor of the Exchequer, and has copied every one of his 30 or 40 letters to me, drew attention most recently to the state pension, which when he wrote was only 31 per cent. of average earnings, compared with an average 59 per cent. in other OECD countries. That compounds the outrage felt by Equitable Life members.

[Dr. Richard Taylor]

The final letter that I will read is short and to the point. It was written on 22 June and says:

"My wife and I have suffered appallingly at the hands of both Equitable Life and the Government's refusal to compensate. Please let me know what positive action you are taking in this direction.

This is far more important to us than your wretched expenses debacle and who the next speaker is."

That sums up the situation.

The anger, frustration and disappointment are immense. Obviously, I would like the Minister to answer the questions posed by the hon. Member for Leeds, North-East. Would compensation have to come from the taxpayer? I am sure that the Government have some secret money somewhere, tucked under someone's mattress. I like to think that the money could come from somewhere else. Would paying compensation to people who have suffered so badly from proven maladministration form a totally unaffordable precedent? Are there any exact replicas of the Equitable Life situation? The Barlow Clowes affair was mentioned in a previous debate, but at the time maladministration had not been proven for Equitable Life. I hope that the Minister will offer a constructive and rapid way forward.

I shall conclude with two points. The first, to which reference has been made, is about the ombudsman. I thought the word must come from Greek and I looked in Webster's dictionary. Webster had not heard of it, but it had the word "ombu", which is a tree with a broad trunk that is isolated in the south American pampas. I thought that that was the origin of the beginning of the word because the ombudsman is isolated, on her own, works against many people, and has a tremendously broad base. But when I looked in Chambers and the Oxford dictionary, I saw that it is a Swedish word, which I am sure all hon. Members know. I like the Chambers definition of the Swedish meaning, which is "grievance man", and it adds, importantly, that he is "independent".

What have the Government done? They have disregarded all the ombudsman's recommendations, vitally undermining her position as an independent critic of the Government who must be listened to.

Mr. Letwin: I believe that the Government have accepted four of the ombudsman's recommendations, but the gist of what the hon. Gentleman says is right. Does he agree that the position is even worse than he says, because the Government have not only rejected the recommendations, but failed to explain why they rejected them? They have not even treated the ombudsman seriously enough to explain.

Dr. Taylor: I thank the right hon. Gentleman. Such behaviour by the Government towards the ombudsman has occurred at a time when she is vital.

I cannot resist returning to the subject of the NHS. Its complaints system has been dramatically changed because the Government have removed the second stage, which was the automatic independent review by the Healthcare Commission, so there is now no promised independent review without going to the ombudsman. She is now the Parliamentary and Health Service Ombudsman, so the Government are broadening the trunk on which she must work. What extra resources will the ombudsman have, and how will the Government restore confidence in her power and effectiveness?

I hope that my final point will not be too unpopular. Remembering the bitter comment about MPs feathering their own nests with their pensions, what are we, as MPs, going to do? Are we going to think of other people when we discuss our parliamentary pensions, and are we going to remember the people who are so much worse off than ourselves?

3.7 pm

Barry Gardiner (Brent, North) (Lab): There is

"clear and unmistakable evidence in the ombudsman's report of five significant areas of maladministration by the Department... Many pensioners have...lost their life savings.... I must ask why we have had to rely on the ombudsman to confirm the mismanagement...and incompetence that was widely known about more than one year ago... Does the Secretary of State agree that the House will find it strange that he...continues to deny the Government's responsibility for mistakes and does not even apologise for his Department's role?"—[*Official Report*, 19 December 1989; Vol. 164, c. 204.]

Hon. Members will realise that those are not my words, or even those of my correspondent, Mr. GKB of Mount Stewart avenue. They are the words of the Prime Minister when he was a Front-Bench spokesman commenting on Barlow Clowes. Sadly, they are equally relevant to today's debate.

Mr Robert C of Churchill avenue, Kenton wrote to me simply saying:

"I am an 81 years old with-profits annuitant who has seen his annuity decrease by almost one-half over the past few years."

One of his close neighbours—I am sure that they are unconnected and unknown to each other—Mr. Harold G of Grendon gardens, Wembley Park, tells that he suffered a 53.34 per cent. drop in his income. In the light of the comments of the hon. and independent Member for Wyre Forest (Dr. Taylor), I calculated just what that would mean for a Member of Parliament. Instead of our salary of £64,000 a year, we would have an income of £34,000 a year—about a 53.34 per cent. drop—but the incomes of Mr. Harold G and Mr. Robert C are nowhere near those levels. Indeed, the 53.34 per cent. drop that Mr. Harold G was talking about results in a loss of £4,740 a year. His income—much less than £10,000 a year—has been cut in half.

Lorely Burt (Solihull) (LD): Does the hon. Gentleman agree that despite the perception that these pensioners had huge amounts of money in Equitable Life and other places, the vast majority are real people who are in real difficulty at the most vulnerable time in their lives? Indeed, at a recent EMAG meeting, I met a lady and a gentleman who now live in a caravan because they have lost their home, which they could no longer afford to pay for when the Equitable Life pension that they expected was not forthcoming. Does the hon. Gentleman agree that we really need to get across to the Government that we are not talking about people with huge amounts of money? People all over the country are being reduced to living in basic, dire circumstances.

Barry Gardiner: The hon. Lady speaks eloquently about the situation. I absolutely agree that these people are not rich—they are not fat cats and they have not

salted away great quantities of money for their old age. They have simply done what they believed was right by making provision from their normal, average incomes when they were in work, so that they could support themselves when they were not in work. Sadly, through no fault of their own, they have sometimes found themselves trapped. One constituent wrote to me, saying:

"We 'trapped' Annuitants have fared inexcusably badly, especially after assurances at the outset of Government surveillance. We couldn't leave, and did not have any options other Policy Holders had, such as only AVCs. We have also borne the brunt of issues with E.L., continuing through to Prudential, with no relief from the E.L. calculation system, and probable further reductions".

That is what people have been faced with.

The point has already been made that we are talking about people who are in the later years of their lives. Many have been pensioners for seven, eight or more years and have found themselves in this nightmare at a time in their lives when they should be able to feel that they have got away from the stress of working life and careers. They should actually be enjoying some form of retirement, but they have not been able to do so. The hon. Lady's comment about her constituents who have been forced to move into a caravan displays exactly the problems that people now face.

I do not wish to speak at great length. I simply wish to say that all of us come to the House because we are propelled in some way by a sense of justice, and I know absolutely that my hon. Friend the Minister also has that at the core of her political being.

For far too many years, we have been meeting in this Chamber to discuss this issue—indeed, I remember our first debate, which I attended with other hon. Members who are present today—and we have had subsequent debates on the Floor of the House. We have gone over so much of the same ground, but officialdom has prevaricated and tried to weave in and out of the complexities.

I absolutely accept that the Government should not put themselves in a position where every failure by financial organisations becomes a matter for Ministers. Of course none of us would wish to see that. That would be to write a blank cheque to financial institutions and encourage them not to take care in their management and procedures.

Annette Brooke (Mid-Dorset and North Poole) (LD): Does the hon. Gentleman not agree that basic principles of fairness, timeliness and transparency would be much appreciated at this stage?

Barry Gardiner: The hon. Lady is absolutely right. She goes to what we all believe is the central point: the situation has gone on too long. People are dying, having spent the last years of their lives worrying and being unable to afford the little niceties that they would have liked to buy for their grandchildren's birthdays. That is the fundamental injustice here, and officialdom and bureaucracy must take that on board. A Government who are in listening mode must not simply acknowledge that point—they must do something to redress it. That is why it is essential that the Treasury move with speed and certainty to make full compensation available quickly, before any more people are unable to benefit because of the time that has elapsed while the Government have dithered.

3.15 pm

Mr. Alan Reid (Argyll and Bute) (LD): I congratulate the hon. Member for Leeds, North-East (Mr. Hamilton) on securing the debate and giving us another opportunity to try to persuade the Government to do the right thing by Equitable Life policyholders.

The title that the ombudsman gave her report—"Equitable Life: a decade of regulatory failure"—sums the situation up very well. When Equitable Life was forced to default on its obligations to policyholders in 2000, it is estimated that more than 1 million policyholders lost part of their savings. Therefore, we all have victims in our constituencies. I share the hon. Gentleman's outrage at the fact that the situation is still unresolved nine years later.

In the nine years since 2000, about 30,000 policyholders have died. As we heard earlier, the Library estimates that another 15 people die each day. It is important to remember that the victims of the collapse are elderly people who now face hard times. They did what successive Governments recommended they do, by making provision for their retirement. They made sacrifices earlier in their lives to make provision for their old age. These are the victims that we are talking about.

Paul Holmes (Chesterfield) (LD): I apologise to the hon. Member for Leeds, North-East (Mr. Hamilton) for not being here at the start of the debate, but I was in a Delegated Legislation Committee at the time. Have constituents approached my hon. Friend to tell him about the double whammy that they face? One constituent, who lives in a terraced house close to my constituency office—she is certainly not a fat cat with lots of assets—faces a double whammy. She is a pensioner who has been denied the Equitable Life investment that she prudently saved for all her life, but she also cares for her two elderly parents, one of whom has Alzheimer's and the other of whom has Parkinson's. She can no longer get attendance allowance, because she is a pensioner. She is being hit on every side. All she ever did was prudently save for her old age, but she has been denied her investment.

Mr. Reid: My hon. Friend is quite right. I am sure that a lot of elderly people are in that situation.

The parliamentary ombudsman concluded that there had been maladministration and injustice, yet the Government are fiercely resisting paying the compensation that the ombudsman said was due to policyholders.

Mr. Lewis: Does the hon. Gentleman agree that a remarkable feature of the scene is that the ombudsman made it clear that she thought that it was reasonable for the Government to take into account fiscal constraints? She was not even asking for total compensation, but for compensation that was reasonable under the circumstances.

Mr. Reid: The right hon. Gentleman is right about what the ombudsman said, and I agree that the Government should take that into account in implementing the ombudsman's recommendations.

The case for compensation is straightforward. The maladministration by the regulator was a direct cause of the injustice suffered by policyholders. The regulator was a Government responsibility, so the Government

[Mr. Alan Reid]

should accept the ombudsman's recommendations to establish a compensation scheme to pay those who suffered the injustice. That injustice was caused by the failure of public bodies. The aim of such a scheme should be to put those who suffered a loss back into the position that they would have been in had the regulator's maladministration not occurred.

The ombudsman said that it would be reasonable to expect a compensation scheme to be established within six months of any decision by the Government and Parliament to establish such a scheme. Given the advanced age of many of the policyholders, it is important that the Government and Parliament should aim to meet that timetable. However, the remit that the Government gave Sir John Chadwick is utterly inadequate. It is greatly restrained by the fact that Sir John is allowed to take into account only those recommendations that the Government accepted. I believe that that breaks the link in the chain between maladministration, injustice and compensation.

David Davis: I have been contrasting the approach that the Government have taken in the case of Equitable Life with the much better approach that was taken over the state earnings-related pension scheme disaster, which the hon. Gentleman may remember. One reason for the difference in approach was that, after the SERPS disaster, two Committees of the House—the Public Accounts Committee and the Public Administration Committee—received evidence and made strong recommendations. It was their thrust that made the Government spend some billions—I think it was £3 billion; the hon. Gentleman will remember, because he served on one of the Committees. A problem now is that Chadwick is reporting not to the House but to the Treasury, whose primary interest in the present economic disaster is saving money. The issue is a moral one, as all the speeches this afternoon have highlighted. Therefore, should not Chadwick report first to the House, not the Treasury? The House is the moral guardian in the matter of Equitable Life.

Mr. Reid: The right hon. Gentleman is perfectly correct. It is important also to remember that the ombudsman is the parliamentary ombudsman, and not the Government ombudsman. Parliament, not the Government, should take the decisions. I hope that through the deliberations of the Committee that we shall set up tomorrow, we may get to a situation in which individual hon. Members can initiate motions in the House—I believe that that used to be the situation, long before I entered the House—as early-day motion 1423 on Equitable Life, which many hon. Members have signed, could then be debated and voted on in the House.

In May, the ombudsman used what has been described as the nuclear option. She used her ultimate sanction of laying before Parliament a short report expressing her gross dissatisfaction with the Government's inadequate response to her original report. Like that original report, her follow-up report is accurately titled: "Injustice unremedied". She used the phrase "deeply disappointed", which is strong language from an ombudsman. I hope that the Government will reflect on it and implement the recommendations.

I also ask the Government to reflect on the signal that they are sending out. Unless compensation is paid, what is there to encourage people of working age to save for their retirement? The regulatory failure is the Government's responsibility, so natural justice demands that they implement the ombudsman's recommendations.

Mr. Martin Caton (in the Chair): I will call the hon. Member for Richmond Park (Susan Kramer) now, but I should be enormously grateful if she would sit down at 3.30, so that we can hear the winding-up speeches.

3.22 pm

Susan Kramer (Richmond Park) (LD): I shall take that as absolute direction, Mr. Caton; in fact, I am being instructed to take an even shorter time, perhaps to allow one more hon. Member a couple of words, if possible.

I particularly want to congratulate the hon. Member for Leeds, North-East (Mr. Hamilton) on obtaining the debate, because debates keep up the constant pressure. Although relatively little that is new happens between each of the Westminster Hall debates on the subject under discussion, the Government must know that the Members of this House are not going to go away. That is a critical message.

I also congratulate the Equitable Members Action Group, whose activities have made it clear that pressure from policyholders is not going to go away. It will continue, and they will have their day in the High Court, pursuing their judicial review, towards the end of July. I wish them the best. Perhaps most importantly I congratulate the 272 Members of Parliament who have signed the early-day motion. That is practically a voting majority in the House, particularly if we take into account the number of hon. Members who simply do not sign EDMs. I think it is the No. 1 EDM, if one can calibrate them in that way. That carries through the incredibly important message that were the motion to be put to the House, which, it seems to me, should be the ultimate decision maker, it would almost certainly pass, and would uphold the ombudsman and her report, and the decision for compensation. I join the others who have argued that as we look, now, to reforming the House, a crucial message is being given, to drive us towards creating opportunities for the House to have its say on such crucial matters.

I read with dismay the proposals from Sir John Chadwick on the approach that he would adopt and the issues to be addressed in his work on the Equitable Life ex gratia payment scheme. I know that I am putting words into his mouth, but between every line one discerns a great sense of virtual despair as Sir John repeats again and again that he is limited by the terms of reference that require him not to address any issues that have not been accepted by the Treasury. Going through the document one gets his sense that his work is practically pointless because it covers so few issues and can bring about so little compensation.

There have been discussions of the cost of compensation, but they come in the context of a banking crisis in which the Government have stepped in to rescue many individuals facing hardship, often, again, because of regulatory failure. The underlying principle that the Government should compensate for regulatory failure

seems to me fundamental for a civilised society. We are not asking the Government to compensate for market failure.

The issue is one on which the House is exercised not only because of the victims—the Equitable Life policyholders—but because it represents the dismissal, once again, of Parliament's voice, in Parliament's ombudsman. If that role is to have importance and strength Members of Parliament must stand behind the ombudsman. If we choose not to do so in a situation of this kind, where the case is so evident, we shall be ceding powers that should be retained by Members of the House, and not transferred even to so important a body of Government as the Treasury.

Mr. Martin Caton (in the Chair): I call the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) with the same appeal to conclude at 3.30.

3.27 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): Yes, Mr. Caton; I am very grateful to my hon. Friend the Member for Richmond Park (Susan Kramer). I declared earlier a tiny interest in respect of a small pension policy of my late wife.

Why did people save with Equitable Life? It seemed the right place for people of a cautious disposition. It was a mutual. Its elegant notepaper claimed that it was the oldest mutual in the world. It was the choice for their own savings of many of the professionals who gave advice to others. It was a body that seemed the appropriate choice for people who simply wanted to make cautious and prudent provision for their retirement.

I want to enunciate some principles. First, compensation is compensation, and should not be means-tested, which is the real implication of the statement by the Minister referred to so often today. Secondly, compensation is an essential discipline of the regulatory and governmental system. If no consequences follow from regulatory failure, either for the regulating body or the Government, there will be much more regulatory failure in the future. Just as the market has its disciplines, so must the regulatory system.

No one is suggesting that what happened is all down to regulatory failure. The ombudsman has provided the Government with a basis on which to proceed to an assessment of how far regulatory failure affected the savings and stake of policyholders, compensating only for regulatory failure, and even taking account of the fiscal position. The ombudsman has done a very careful and responsible job.

What is our position now? The credibility of the ombudsman system is at stake—that system that we recommend to people as a way of putting their case, which we take to the ombudsman on their behalf. With it the credibility of Ministers is at stake. It is not satisfactory to appear to be responding to ombudsman's recommendations, but not to carry them out, particularly when that affects those who have been so vividly described by hon. Members during the debate, whose vulnerability has been clearly set out, and who deserve a great deal better than they currently get.

3.29 pm

Mr. Jeremy Browne (Taunton) (LD): Thank you, Mr. Caton, for giving me the opportunity to contribute to this extremely important debate. I start as is customary but also appropriate by offering my congratulations and gratitude to the hon. Member for Leeds, North-East (Mr. Hamilton) on raising the topic. I welcome the Exchequer Secretary to her position. She is new to the Treasury. I hope that I do not sound churlish when I say that it would have been better had the Economic Secretary, who continues to serve in the Treasury, been present, because that would have offered greater continuity with the many previous debates in which he has given statements or replied on the Government's behalf. Nevertheless, we look forward to hearing the Exchequer Secretary's response.

The background to this matter will be familiar to most if not all hon. Members present. The Government, through the then Department of Trade and Industry, the Financial Services Authority and the Government Actuary's Department, had responsibility for ensuring that the company Equitable Life acted properly and prudently. There have been no fewer than 13 reports on the failure of Equitable Life. The ones cited most often include those by Lord Penrose and by the FSA on its role from 1999 to 2000. Even the European Parliament issued a report on the subject.

However, the report that everyone concentrates on and that has been mentioned repeatedly during this debate is by the parliamentary ombudsman. It cost, I am told, £3.5 million and took four years to bring to a conclusion. An extremely thorough report, it is entitled "Equitable Life: a decade of regulatory failure". The report does exactly what it says on the tin. We almost do not need to read the report; the title itself tells us the verdict that was arrived at. Nevertheless, it is worth pulling out a few quotes. The ombudsman said that the Government's restrictions on earlier inquiries were "iniquitous and unfair". The DTI's oversight of Equitable Life had been "passive, reactive and complacent". The FSA's regulatory efforts had been

"largely ineffective and often inappropriate".

The policyholders had

"a justifiable sense of outrage".

The language is stark. We are used to reading official reports in which some of the criticisms are couched in more guarded terms, but the ombudsman's conclusions could not be more explicit.

I had the opportunity, from the exact position in which I stand now, to debate the situation, as it then existed, in this Chamber in November 2008, and many of the hon. Members present today were also present at that debate. We were assured by the Government and later by the Prime Minister himself that the Government would respond to the ombudsman's report by the end of 2008. I think that the Prime Minister said that it would be by Christmas 2008, rather than by the end of the year, but we would have been willing to grant him the extra week. In fact, the Government did not respond to the report within the timetable that they had promised, and when they did respond, the response was, by common consent, wholly inadequate.

Since the debate in this Chamber in November 2008, there have been further contributions on the matter. The Public Administration Committee undertook an inquiry into the ombudsman's findings. Its report, entitled "Justice denied? The Government's response to the Ombudsman's report on Equitable Life", said that the Government's excuses were

"shabby, constitutionally dubious and procedurally improper"

[Mr. Jeremy Browne]

and that the ex gratia payment scheme looks "slow and onerous". It is a constant theme that the Government appear to be playing for time and dragging their feet. We heard earlier that that has consequences for all our constituents who are affected by this matter, who are dying on a daily basis without having the financial remedy that they rightly feel that they are owed.

The ombudsman published a further report on 5 May 2009—very recently—entitled, "Injustice unremedied: the Government's response on Equitable Life". We have already discussed that to some extent. It made a number of points, all of which were critical of the Government—no, to be fair, many of them were critical of the Government. The overall tone was critical of the Government's approach. Even the Equitable Life chairman, Vanni Treves, asked in relation to the Government's response,

"why haven't our policyholders been treated as well as Northern Rock and RBS depositors have? At any other time this would have been regarded as an absolute scandal."

The Government have put in place yet another review. There is a lot of frustration on behalf of Equitable Life policyholders. To use the familiar phrase, the matter continues to be kicked into the long grass. We have yet another review and more institutional delay. The review is under the auspices of Sir John Chadwick. By common consent, that review is inadequate. There is no definite timeline, unless the Minister can offer us one this afternoon. Very few resources are available to Sir John Chadwick to carry out the review in a way that many, including possibly him, would regard as desirable. The reporting process itself has been called into question. Ann Abraham, the ombudsman, said:

"Whatever the outcome of the work that Sir John Chadwick will undertake, it is clear that the injustice I have found to have resulted from maladministration will not be remedied."

We could not have a more unequivocal response from the ombudsman than that.

The question now is what can be done, given that track record of reports and the Government's lamentable record in responding to them. It is worth saying first that the Equitable Life fiasco was caused by systemic failures that go back a reasonable way. To pre-empt what the Exchequer Secretary might say, the seeds of the problem, according to both the Penrose report and the ombudsman's report, date back to a period before Labour was in government. I do not want the debate to be unduly party political; I want the Minister to respond on behalf of the Government of the day, rather than us having a debate along party lines. On that basis, let me concede that the Labour party could say with some justification that the problem did not start on 1 May 1997, when it came into government, although the problem has mainly been apparent and has grown since that date.

It is imperative that the Government undertake a period of negotiation with policyholders. Why? We have just heard from my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) that many people sought to behave responsibly and Equitable Life was seen as the gold-standard saving option. It was seen as beyond a normal commercial decision with the inherent risks that such investments inevitably involve. It was seen by our constituents as the cautious, safe, prudent way to save for retirement. The point was made earlier that we must incentivise people, as the population grows older, to save for their retirement, and it is precisely the people who are heeding that call and seeking to behave responsibly whom we should be seeking to assist, rather than deter from saving.

More than anything else, we need to act with speed. The greatest frustration for most of the policyholders is the Government's inability to come to a speedy resolution. The money given to policyholders ought not to be means-tested, because that is not the nature of the arrangement. I say as a concluding note and in a conciliatory spirit—I hope that the Minister will engage on that basis—that no one or very few people are saying that they expect the compensation to be 100 per cent. There is recognition that improper or ill-advised judgments were made by those directly responsible within Equitable Life. There is also—this is a mature contribution to the debate—recognition that we are, as a nation, borrowing £480 million every single day and that that backdrop must be taken into account when considering whether the Government can be expected to commit to additional public spending.

Nevertheless, even with those two important caveats, the Government have a responsibility, as the regulator, to compensate for regulatory failure. The Exchequer Secretary must bring this issue to a head now on behalf of the scores of constituents that I and all hon. Members have whose quality of life has been severely affected at the most vulnerable time of their life, because of the loss of savings due in large part to the regulatory failure over which the Government presided.

3.39 pm

Mr. Mark Hoban (Fareham) (Con): I congratulate the hon. Member for Leeds North-East (Mr. Hamilton) on securing this debate. It is vital that we continue to put pressure on the Government to respond properly to the report of the ombudsman, and to ensure justice for Equitable Life policyholders. We have had four debates on the subject and today's is the third in which I have taken part as a Front Bencher, but I fear that it will not be the last. It has a long way to run. The longer it takes, the more will policyholders be denied justice.

Sir George Young (North-West Hampshire) (Con): My hon. Friend is right to point out that this is the fourth debate, but none of the debates has ended with a vote. Would not the right way to resolve the matter be for the Government to put a proposition to the House, and to see whether the House supports them in a vote?

Mr. Hoban: My right hon. Friend makes an interesting proposal. The Government are seeking to renew the House to make it the centre for decision making, and to increase interest in Parliament. Using a long-running issue such as Equitable Life would be the ideal way for the Government to demonstrate their commitment to democratic renewal. I hope that Labour Back Benchers would encourage the Prime Minister, the Chief Whip and the Leader of the House to have the debate in Government time, to make the point that they want to see Parliament making such decisions.

The problem reflects on Parliament more broadly. As a number of right hon. and hon. Members have said, the ombudsman is an officer of Parliament. She is not a government ombudsman but a parliamentary ombudsman.

In undermining her report by cherry-picking the conclusions that she made nearly a year ago, the Government are undermining Parliament and the way in which we should resolve such matters.

Sir John Butterfill: Does my hon. Friend agree that that would give the Government an opportunity to explain to the House and the nation why they believe that depositors in Northern Rock and other failed banks are more worthy of support than the long-term savers in Equitable Life?

Mr. Hoban: I am sure that the debate will provide the Government with an opportunity to respond not only to that question but to questions on what has led to the delay in compensation to Equitable Life's policyholders. It will be important for the Government to set out their case on how they have sought to deal with the matter.

A number of Members referred to the statement made in January by the then Chief Secretary to the Treasury, now the Secretary of State for Work and Pensions, and the mismatch between that statement and the Command Paper published shortly thereafter. The matter has not been properly debated on the Floor of the House in Government time in a way that would allow us to address that inconsistency of approach. It is time for the Government voluntarily to make themselves accountable, rather than us having to raise the matter in Westminster Hall in order to maintain pressure on them.

The hon. Member for Taunton (Mr. Browne) said that he rather hoped that the Economic Secretary to the Treasury would respond to the debate. Although there may be virtue in continuity, continuing to do the wrong thing is not virtuous.

I appreciate that the Exchequer Secretary has been in post only for a few days, and that she has been on a rollercoaster, but I hope that she will not box herself in when responding to the debate. I hope that she leaves herself enough wiggle room to look afresh at how the Government have handled the matter and to see whether anything can be done to speed up the resolution of the issue. Each day longer means fewer policyholders receiving justice.

Several Members spoke of their constituents' concerns. They are not alone; constituents have been writing to me since I was elected in 2001, setting out their problems in coping with the financial problems that have arisen as a consequence of what happened at Equitable Life. They want to see justice. Like the hon. Member for Brent, North (Barry Gardiner), they cited the Prime Minister's statement on Barlow Clowes. The Prime Minister was as tenacious then in fighting for justice as he is tenacious now in trying to avoid giving justice to Equitable Life's policyholders. That attitude needs to change. The disparity in his approach is clear to all.

A point needs to be made about confidence in the pensions system. People entrust their money to pension companies. They want to make provision for their retirement. They want to ensure that they have a reasonable income in retirement. However, they expect the regulator to perform its duty by regulating those pension companies. What we have had, of course, is a decade of failure.

The hon. Member for Taunton was right that the problem lay not only with the Labour Government from 1997; the regulatory issues started under the preceding Conservative Government. At each stage, whether the regulator was the Department of Trade and Industry, the Treasury or the Financial Services Authority, those policyholders were let down. The ombudsman seeks to address that in her report—to recognise that there was maladministration, that the maladministration led to injustice, and that payment must be made to reflect that injustice. It undermines people's confidence in the entire regulatory system that, where there is evidence of maladministration and injustice, payments to policyholders do not seem to flow from that. It leads people to question whether their money is safe, and to ask whether those institutions are well regulated. That important point needs to be resolved.

Mention has been made of Sir John Chadwick. I believe that Sir John has been dealt a difficult hand. He was given terms of reference with a narrow focus, which restricted his ability to consider various issues. The Government have clearly set out the findings. However, Sir John produced his first issues paper last week. He hopes to receive conclusions in mid-July and to produce a further report in August. My understanding of what Sir John said in his report is that there will be many stages to the process before policyholders receive the justice that they deserve.

I wish to ask the Minister some questions about progress. During our last debate, it was suggested that Sir John was in the process of recruiting an actuarial adviser. Has that been completed? Is an actuarial adviser in place? If so, who is it? In the statement made by the then Chief Secretary to the Treasury in January, she suggested that Sir John's work would go in tandem with work that the Treasury had undertaken. Will the Minister outline what the Treasury has been doing since January?

At the time of the previous debate, Sir John had had one brief meeting with Equitable Life. Will the Minister tell us how many more meetings Sir John has had with Equitable Life since then? Based on the work done by Sir John and the Treasury to date, does the Minister have a better estimate of how long it will take before the first policyholder receives the first compensation cheque? It is nearly a year after the ombudsman published her report, and still there is no sense of who will receive compensation, how much they will receive and when they will receive it.

Will the Minister confirm Sir John's comments on means-testing? When the then Chief Secretary said in January that the Government were seeking to compensate people on whom Equitable Life had had a disproportionate impact, it was suggested that that meant means-testing. Sir John said in paragraph 3.10 of his report:

> "I am satisfied that the Terms of Reference do not require me to engage in any form of means-testing in relation to individual policyholders."

Will the Minister confirm that means-testing is no longer on the agenda?

In recent weeks, the Government have been clear in their use of language about policies to help with the recession. They talk about "real help now". That rings hollow for Equitable Life policyholders. They have been awaiting justice, have suffered a decline in their income and have been struggling to make ends meet. I believe that they deserve real help now.

3.49 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): It is a pleasure to welcome you to the Chair, Mr. Caton. I congratulate my hon. Friend the Member for Leeds, North-East (Mr. Hamilton) on securing this debate. It is a testament that the events surrounding Equitable Life continue to command a lot of attention from many hon. Members, as it should.

Although this is the first time I have been called upon to appear in a ministerial capacity at a debate on Equitable Life, I have spent a considerable time getting up to speed and I am fully aware of the previous debates. Having looked through them, I think that it is fair to say that we are not covering much new ground today. Many of the arguments have been heard many times in this House. However, I thank all hon. Members, all of whom spoke eloquently on behalf of their constituents, for their contributions this afternoon. The Government always welcome healthy debate and continuing scrutiny, but I must be clear from the start: our position has not changed. We have made our response to the ombudsman's main report and we stand by it. We explained our reasons behind every rejection of her findings, and we believe that we had cogent reasons for doing so.

Reflecting the limited extent of her jurisdiction, the parliamentary ombudsman's second investigation into the regulation of Equitable Life's with-profits fund under the Insurance Companies Act 1982 regime, which has now been superseded, looked exclusively at the role of the prudential regulator and the Government Actuary's Department. It was not permissible for her to consider the actions of Equitable Life or any other party within the private sector. The substantial report published by the ombudsman in July last year was the culmination of her four-year investigation. The factual and technical complexity of the issues that she investigated, which themselves contributed to the length of her investigation, are the reasons it has been necessary for the Government to take time to consider the report. Indeed, the Government would have been rightly criticised had they not considered the report carefully before giving their response.

I repeat that the Government accept that maladministration occurred in some areas and that in some cases, but not all, that might have led to injustice for policyholders. The ombudsman welcomed the Government's acceptance of maladministration and of the fact that some policyholders will have been adversely affected by regulatory failures. We have apologised for that—and I do so again today—on behalf of the public bodies and successive Governments responsible for the regulation of Equitable Life between 1990 and 2001.

We also accept that some policyholders might have suffered a disproportionate impact as a consequence of the maladministration and injustice accepted by the Government. We have looked in detail at the ombudsman's central recommendation for a compensation scheme. Several hon. Members suggested that the Government are at fault in not accepting the recommendation that we should establish and fund a compensation scheme with the aim of restoring those Equitable Life policyholders who suffered a loss as a result of the maladministration. However, such views fail to take account of the important principle, recognised by Parliament, that it is not generally appropriate for the taxpayer to pay compensation, even in the event of regulatory failure. The regulator is not the guarantor of the regulated and the taxpayer does not stand as the insurer of last resort. The responsibility to minimise risk and to prevent problems from occurring in a particular institution lies, first and foremost, with the people who own and run that institution, as was pointed out in Lord Penrose's report. Lord Penrose also found regulatory system failures—I do not disagree with him—but concluded that they were secondary.

The ombudsman recognised in her report that the Government have to consider first the public interest and secondly their responsibility to taxpayers generally to balance competing demands on the public purse. The Public Administration Committee's report stated:

> "The decision to compensate must not be the equivalent of signing a blank cheque on taxpayers' behalf."

That is why we have set up a process that will establish the facts on relative losses experienced by different groups of policyholders and the factors affecting those losses.

Mr. Hoban: Is the Minister saying that the Government decided to restrict the number of findings made by the ombudsman because of the constraints on public finances?

Sarah McCarthy-Fry: Categorically not. The right hon. Member for Haltemprice and Howden (David Davis), who is no longer in his seat, made an intervention on this point. We are not delaying our response, and did not disagree with the findings, in order to save money.

Barry Gardiner: I, and many other hon. Members, accept that the Government's intention is not to delay simply to reduce costs. That would be an abhorrent allegation. None the less, that is the effect of what is happening. The Government must seriously address that point and speed things up to avoid that impression.

Sarah McCarthy-Fry: We intend to find a resolution with our scheme as quickly as possible, but we also need to get it right.

My hon. Friend the Member for Leeds, North-East mentioned the recent approach proposed by Sir John, which he intends to operate, and the issues to be addressed. My hon. Friend and others said that Sir John should be able to consider all cases raised by the ombudsman, and not just those that the Government agree with. We have cogent reasons for accepting only those cases of maladministration and injustice set out in our response. However, we had equally cogent reasons for departing from others, and it would be irrational to ask Sir John to consider those. It is important that we get this process under way as quickly as possible where we have accepted maladministration and injustices. For those cases, we want Sir John to get on with the scheme.

We all agree that this is a complex matter. The ombudsman accepted that any scheme would take a considerable time—two and a half years, she said—but we are not setting a time limit. We need Sir John to do the work, but we share everybody's concern that the scheme pay out as swiftly as possible.

The hon. Member for Fareham (Mr. Hoban) asked about progress. Sir John has established his office and appointed its key staff, and has met and corresponded with Equitable Life. I do not have to hand the number of times, if any, he has met it since the first meeting. However, I shall write to the hon. Gentleman with that

information. Sir John has established a website through which interested parties can keep informed of his work. Equitable Life has now provided him with records about policyholders. He has issued his document setting out his proposed approach and the issues to be addressed. He has asked interested parties to comment on those proposals by 17 July. That is quite a tight time scale, but we are trying to get the scheme under way as quickly as possible. If any hon. Members wish to comment on his proposed approach and issues, they should get that information to him.

The hon. Member for Taunton (Mr. Browne) said that Sir John has few resources available, but actually he is assisted by a team of office staff, ranging from counsel to administrative support and a private secretary, and the team has recently been joined by the expert actuarial services of Towers Perrin—that answers another point made by the hon. Member for Fareham.

As the Economic Secretary has stated, our preference is not for a means test, and we are certainly not asking Sir John to advise us on whether there should be one. However, we shall consider Sir John's advice if, when he has finished the process, he comes to a different conclusion. We are giving him a wide remit to consider how we can deliver the desired outcome.

It is regrettable that the parliamentary ombudsman felt it necessary to lay her further report recording her view that the injustices that she found will not be remedied. We have the greatest respect for the office of the ombudsman, and where we departed from her findings in the main report, we did so only after very careful consideration. When she announced the Government's response in January, the then Chief Secretary explained that there is no easy solution to the problems at Equitable Life and the faults that were found. She also made it clear that the Government believe that their response to the ombudsman's report is the right one. I agree with that.

The new help for policyholders announced is fair to them and to taxpayers. The need to resolve this matter is acknowledged on both sides of the House, including by hon. Members today. I restate the Government's commitment to introduce their ex gratia payment scheme as quickly as possible.

School Governing Bodies (Appeals)

4 pm

Rosie Cooper (West Lancashire) (Lab): I am delighted to have the opportunity to debate the issue of procedures for appeals against school governing body decisions. The need for the debate arose from the direct and personal experience of my constituents. One case with which I have been involved concerned a child with special educational needs. Those educational needs were not being met and, over a number of years, contributed to the child's exclusion from school. The family as a whole was outrageously failed because of the fundamental flaws within the governing body system.

The focus of this debate is to demonstrate how existing complaints procedures for schools cannot offer independence and objectivity, how the very nature of governing bodies makes them reliant on educational professionals, and how the systemic flaws mean that parents are unable to seek an alternative redress for their complaints.

In one particular case, the child had been diagnosed with Asperger's syndrome. In year one of primary school, it was noticed that the child was displaying symptoms of "unusual behaviour". His teacher had highlighted that the child was struggling in school, and, many years later, that was confirmed by a psychologist. The initial failure of the school was not to request an assessment of the child by that educational psychologist. Teachers often expressed serious concerns about the child's behaviour in class. Over a three-year period, the school failed to take appropriate and reasonable steps to meet the special educational needs of the child.

The situation came to a head when the head teacher allegedly behaved inappropriately, which provoked an outburst that resulted in the expulsion of the child from the school. It was at that point that the parents sought redress from the school's governing body through a formal complaint. It took more than nine months from the submission of the original complaint for the chair of governors to report that his investigation was concluded.

The contents of that final report failed to address the questions that were asked in the original complaint. Moreover, there is the question of how a governing body can be allowed to take nine months to complete an investigation. How can a simple investigation take that long? The length of time was due in part to the actions of the local education authority, which at best could be viewed as incompetent and at worst wilful misconduct.

Five months after making the initial complaint, the local authority had not replied to the parents. The following month, the parents received a letter stating that the local authority had written to them three months earlier, and, in the absence of a response to its letter, which had never been received by the parents, the LEA indicated that it had assumed that the parents had ended their request for an investigation. When the parents were provided with a copy of the original letter—it was sent electronically—it was clear that it had been created at the same time as the letter telling the parents that it was assumed that they no longer wished to proceed.

When the complaints appeals committee met on the matter, the parents argued that it had based its decision on misunderstandings and misrepresentations. Anecdotal

[Rosie Cooper]

evidence indicates that from the outset, the governors were dismissive of the complaint. The complaints appeals committee upheld the original decision of the chair of governors and cited that the original investigation was satisfactorily conducted.

From the outset of this case, there were clear warning signs that serious issues were not being addressed and that the system was not affording protection to the family. The issues included the initial failure to assess the child's SEN requirements, the actions of the head teacher, the decisions based on misrepresentations, the governors' attitude towards the complaint throughout the process, the length of time it took to attempt to address those complaints, and, in the end, the failure to address all aspects of the complaint.

The parents of the child were both involved in the education system, so they knew what to expect and the result fell far short of that. How an ordinary parent would have managed against the system I do not know. At that point, I intervened and called a meeting of the parents, senior directors and cabinet members from the local education authority. Only then did the parents begin to get answers to their specific questions, but by that time, the child had moved schools for the sake of his well-being and his education. That is a wholly unsatisfactory situation. With help, it could have been avoided. The matter could have been resolved with the child's interests being paramount.

This is one of a number of cases that I could talk about, and it provides an insight into the experiences of individual families. I hope that those experiences serve to demonstrate that there are fundamental problems in pursuing complaints through governing bodies.

Let me briefly turn my attention to the systemic failures. The weakness of the current governing body system is that, as lay people, governors do not always have the knowledge, background, or skills to interpret a complex complaint such as that I have outlined. Independent research by the highly respected Joseph Rowntree Foundation has concluded that many school governors lack the time and the expertise to fulfil their role. It says that they are often overwhelmed by the demands placed on them and that a major reform of the system is necessary. It goes on to say that in many instances, governors and teachers may not really understand what they are facing. That is true in the case that I mentioned of the child with special educational needs.

Many people who have suffered in a similar way would agree with the report's findings. I understand that under section 29 of the Education Act 2002, all governing bodies are required to have in place a procedure to deal with complaints relating to all aspects of the school. However, beyond the governing body's complaints appeals committee, there does not seem to be a further right of appeal. A ministerial response to one of my parliamentary questions stated:

"The extent to which the governing body has complied with this duty is part of the school's self evaluation process which underpins the current Ofsted inspection regime."—[*Official Report*, 15 June 2007; Vol. 461, c. 1357W.]

Therefore, it is clear that the only safeguard to this in-house process is a visit once every three years by an Ofsted inspector who will seek to validate the school's evaluation of its strengths and weaknesses.

There appears to be no consideration given to the minimum standards or probity in conduct that parents can expect when they make a complaint about or to the school. Such weaknesses are compounded by there being no alternative process through which parents can make a complaint. If they are dissatisfied with the governing body's decision, which they believe might rely too much on educational professionals at the school and therefore not necessarily be independent, wherever they turn is a dead end.

Section 160 of the Education and Inspections Act 2006 makes provision for Ofsted to investigate certain qualifying complaints from the parents of registered pupils at a school. Unfortunately, such complaints are restricted to those matters in which there is no alternative statutory route other than the schools complaints procedure. That offers no recourse in the case under discussion as complaints must relate to the whole school, and not to an individualised matter.

The local government ombudsman can investigate school admissions and how a local authority has acted but it cannot investigate how a school governing body has acted during an investigation, how the investigation was carried out and whether the child's interests were paramount throughout. Under sections 496 and 497 of the Education Act 1996, any person can complain to the Secretary of State if they believe that the governing body or local authority is acting unreasonably. Once again, the Secretary of State is able to intervene only in limited circumstances, which makes it difficult for parents to believe that their complaints and their child's interests are paramount.

The combination of a weak governing body and no alternative route for complaint means that education professionals could have a significant influence on the process. I believe that that happened in the case I outlined. The governing body had a co-dependent rather than an independent relationship with the head teacher, to the extent that the governing body did not want to be seen to challenge publicly the authority of the head teacher. However, the head teacher was at the very heart of the complaint, following the failure of teachers to heed warnings over the child's behaviour and the refusal to bring in an educational psychologist. Ultimately, the head was accused of provoking the actions that resulted in a child's expulsion from school. Given that outline of the details, how can any parent who complains to a school's governing body feel reassured that an investigation will be conducted fairly, objectively and unprejudiced by any outside influencing factors?

We need to ask serious questions not only of the governing body, but of the local education authority, which is charged with providing help and support to governors. I am truly encouraged by the provisions in the Apprenticeships, Skills, Children and Learning Bill, which is currently before Parliament, for a new parental complaints service to be operated by the local commissioner, and for that to be introduced as a pilot. I very much welcome Ministers' comments in Committee that statutory guidance on the new complaints system will make it clear that complainants must not suffer discrimination. In the light of this debate, I implore the Minister to consider my local education authority area for the pilot scheme. Whatever the outcome, there must surely be, in this day and age, an independent assessment of the complaint and how it is handled.

The issues that I have highlighted during the debate need serious consideration and action, to ensure that a school's governing body helps and supports families, and offers them a voice when they need it. I must put on record my absolute respect for the work of governors. They give of their time and have local interests at heart. I encourage them to continue their vital work in their worthwhile roles, but perhaps with a more questioning edge when there is a dispute. I want them to approach such matters with the child's interests at heart.

There needs to be a greater focus on ensuring that minimum standards are in place so that parents know what they can expect when they make a complaint to a governing body. For example, perhaps a simple place to start would be a clear timetable for the completion of an investigation. I want a system in which parents are assured that they will get a fair and unprejudiced hearing and one in which there is independent support for governing bodies, to ensure that they have the skills and information to deal with complex cases, so as not to disadvantage children. Perhaps they ought to be able to call in experts outwith their local authority to help in such instances. Finally, when parents are dissatisfied with the governing body, there needs to be an option for an external body to review the substance of the complaint.

I ask the Minister to consider the Lancashire education authority for one such pilot. My constituents need such help and they need it now.

4.14 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): I congratulate my hon. Friend the Member for West Lancashire (Rosie Cooper) on securing the debate. I know from the passionate way in which she spoke that she is very concerned about the issue.

Governance, leadership and strong lines of accountability are essential to making our schools a success. Parents should be able to send their children to school confident that they will receive the highest possible standard of education; that their health, well-being and safety are being cared for; and that any problems are dealt with by professionals in an appropriate and timely manner. There must be mechanisms in place for parents to express their concerns, secure in the knowledge that they will be dealt with quickly, effectively and fairly by all involved—the head teacher, the senior leadership team and the governing body.

I was concerned to hear of the experience of my hon. Friend's constituent. I will be pleased to meet my hon. Friend with officials from the Department for Children, Schools and Families to discuss the circumstances of the case.

To set the scene, I shall talk about the complaints procedure at local level. Since September 2003, all schools have been required to have a complaints procedure. That procedure must also be published so that it is available for public scrutiny. My Department has produced a complaints procedure toolkit to help schools to formulate their complaints procedures. It took the form of non-statutory guidance that schools could use or adapt to their circumstances. Generally, schools follow the three-part approach: investigation of a complaint by a staff member; investigation by the head teacher or the chair of governors when appropriate; and, finally, if the complaint has still not been resolved, a meeting of a panel of governors.

Governing bodies must act for the interests of the children in their school, which should drive any decision that they take. They must also rigorously ensure that those who serve on complaints panels conduct a fair and unprejudiced investigation. Of course, parents should be kept informed of progress and any decisions taken by the panel.

Beyond the local level, when a parent remains unsatisfied with the outcome of the complaints panel, some local authorities may offer an independent review of the complaint, although that is not a statutory requirement. All complainants, however, have the right to refer the matter to the Secretary of State if their complaint cannot be resolved at local level. Under sections 496 and 497 of the Education Act 1996, the Secretary of State has the power to investigate a complaint and to issue a direction about a decision made by a governing body or a local authority, but he is able to do so only in very limited circumstances, namely when there has been a breach of a statutory duty or when the governing body has acted "unreasonably" with regard to the exercise of a power or the performance of a duty under the Education Acts.

The Secretary of State is not at liberty to substitute his judgment for that of a local education authority or a governing body just because he might have reached a different decision in the same circumstances. Rather, he must be satisfied that a decision is unreasonable in the sense that no reasonable authority or governing body acting with due regard to their statutory responsibilities would have reached such a decision. I should add that "unreasonably" in this context has been interpreted by the courts as meaning acting in a way in which no sensible local education authority or governing body, acting with due appreciation of its responsibilities, would have acted. That is a narrow and testing definition. For example, it does not allow the Secretary of State to substitute his own judgment for that of the governing body, or to issue a direction because he would have acted differently.

The Secretary of State therefore does not have the power to re-investigate matters that are properly the responsibility of school governing bodies; he can only consider whether the school governing body acted reasonably and within the law in handling and addressing the complaint. Taking that into account, he needs to weigh all the matters and decide whether it is expedient to issue a decision and whether there is a practical step under his powers in education law that he can use to direct the governing body to take action.

At the heart of the problem that my hon. Friend outlined was a child who fairly obviously had special educational needs that were not being addressed. Local authorities have important and extensive duties to identify, assess and make provision for children with special educational needs, and to keep their arrangements for doing so under review. Schools and governing bodies must do their best to ensure that the necessary provision is made for any pupil who has SEN.

When a child has a statement of SEN—my hon. Friend indicated that there was no statement in the case she outlined—parents may express a preference for the maintained school, be it mainstream or special, that

[Ms Diana R. Johnson]

they want their child to attend, or to make representations for a placement in a non-maintained special school or independent school. Local authorities must comply with a parental request for a maintained school unless the school is unsuitable to the child's age, ability, aptitude or special educational needs, or the placement would be incompatible with the efficient education of other children with whom the child would be educated, or with the efficient use of resources. If parents disagree with the school named by a local authority in their child's statement, they have a right of appeal to the first-tier tribunal on special educational needs and disability

If parents believe that provision is not being made to meet their child's needs, they should discuss it with the school in the first instance, through the school's SEN co-ordinator and/or the head teacher. If they remain dissatisfied, they should then discuss the matter with the local authority maintaining their child's statement. If they still feel that there has been no satisfactory resolution, they can make a complaint to the Secretary of State through the SEN operations team in my Department. They should set out their concerns in writing, explaining what provision specified in their child's statement the local authority is failing to provide and enclose a copy of their child's statement.

The Secretary of State takes very seriously any failure by a local authority to fulfil its statutory duties. Where necessary, the Secretary of State will not fail to exercise the powers available to him under the Education Act 1996. There are, however, limits to those powers, and any direction that he might make must be expedient and commensurate with the issue raised.

On strengthening schools, my hon. Friend made much of the capacity of governing bodies and the decisions that they might be asked to make. Of course, as our school systems develop to meet the changing needs of education and communities in the 21st century, we must continue to reassess our processes to ensure that they are fit for purpose.

I note what my hon. Friend said about research by the Joseph Rowntree Foundation. My right hon. Friend the Minister for Employment led a working group in his previous role as Minister of State for Schools and Learners to consider how governance will need to develop to meet the needs of 21st-century schools. One of the issues being considered by the working group is improving the skills and training of governors. We will be enhancing training for governors so that it focuses on holding school leadership to account by effective challenge.

Parent governors also have an important role to play. They can engage actively with the school community to communicate the governing body's decisions and give parents more knowledge of how the governing body works. We will press ahead with our work to ensure that all governing bodies have the vision, capacity and skills to provide the best service possible for the children and parents in their communities. The working group is still conducting the review and will report later this year.

Work is also under way to strengthen the complaints system for parents, following a commitment in the children's plan to consider how to improve the current arrangements. My hon. Friend referred to the Apprenticeships, Skills, Children and Learning Bill, which is in the Lords. We are doing two things in the Bill: legislating to enable the local government ombudsman to investigate complaints about individual school issues, and producing both statutory and non-statutory guidance to clarify the processes at school level. She was concerned that matters should be dealt with in a timely way, and I hope that that will be dealt with in the guidance.

The LGO will investigate complaints where there is no alternative right of appeal and where the complaint relates directly to a school's duty. In other cases, parents will still be signposted to other routes. For instance, complaints about permanent exclusions will still be heard by independent appeal panels, complaints related to admissions will still go to the Office of the Schools Adjudicator, and the first-tier tribunal will continue to hear complaints related to local authorities' special educational needs provision. If my hon. Friend wants to write to me formally to say that her local education authority is interested in being a pilot area for the initiative, I will be happy to discuss it further with her.

Most schools handle complaints quickly and effectively, but where they do not, I know that they can cause frustration and upset to parents and pupils alike. That is why we are reviewing the current system and improving it to ensure that it is as robust as possible. That is also why it is important to have checks and balances right through the system, with a clear process so that parents can be heard in the first instance and escalate their complaint if they feel that those handling their case have not given them a satisfactory level of service. We are not asking schools to do something extra. This is about a basic level of service that parents should be able to expect from every school, not just an elite few. Through our reforms, we will ensure that every school is a good school, working hard at the heart of its community to serve local children and their families.

Pet Passports

4.25 pm

Andrew Selous (South-West Bedfordshire) (Con): I am grateful to you, Mr. Caton, and to the previous Speaker for allocating me this debate. It is good that we will have an extra five minutes. I welcome the Minister to his seat. Like me, he will know that we are a nation of animal lovers, which is a good thing, so the issues that we are debating will be of great concern to many of our constituents throughout the country.

I must confess that I did not know a great deal about the pet passport scheme until one of my constituents came to me a couple of months ago with a rather awful story about what had happened to her and her pet. I will say at the outset that officials at the Department for Environment, Food and Rural Affairs have tried to be as helpful as possible to my constituent. I am grateful to them for that, but I believe that their hands might have been tied to a certain extent.

By the end of next month, my constituent will have been parted from her much-loved pet for a total of 13 months. The dog has been outside the UK for two six-month quarantine periods. The total cost to my constituent of keeping her dog outside the country now approaches £8,000. Many pet owners would not be able to afford that, so when such things go wrong, sadly, it can effectively be the death sentence of the pets concerned. I accept that the case is an unusual one, but having listened to what my constituent told me and done some research, I have realised that numerous people fall foul of the rules of the pet passport scheme every year.

Before I describe in more detail what happened to my constituent, it might be helpful if I run through the four general policy areas that that sad saga has illuminated, and I would be grateful if the Minister commented on them. I spoke to his private office early this morning, to be as helpful as possible so that our debate could be constructive.

The first general question is how much discretion the Secretary of State has in such matters. In the case of my constituent, I think that the DEFRA officials generally recognised that the dog posed absolutely no risk whatever to the health of anyone—human or animal—in the United Kingdom. The dog had had four different blood tests under two different microchips. It was a British dog and had originated in the UK, which is of course rabies-free—a significant point. I am aware that the Secretary of State has exercised his discretion on at least two occasions to allow the strict requirements of the pet travel scheme to be waived. They were two distressing cases in which it was right for the Secretary of State to act as he did.

My constituent was told by the Minister's officials that her last hope was for the Secretary of State to authorise a risk assessment in her case. I pressed the Secretary of State hard to do so, but the letter that I received said that it was not possible. My constituent and I are a little unclear about how much discretion the Secretary of State has. As I said, it was recognised that the dog in question did not pose any risk to public health in the United Kingdom. I would be grateful if the Minister elaborated on that slight uncertainty.

The second general point that I want to put on the record and make pet owners aware of is that, in a minority of cases, people will not be able to bring their much-loved animals back into the UK, which could cause extreme distress and upset. In the vast majority of cases, there are no problems. However, according to Department figures, in 2007, about 4,800 pets fell foul of the scheme and had various problems. There were some problems with microchips, as happened with my constituent. Another 1,300 cases were listed as "any other reason". People should be aware that, in recent years, the number of people who are faced with such problems has risen to just below 5,000 a year.

It is significant that pet insurance now covers the cost of quarantine for pet owners who are forced to pay huge sums like the £8,000 that my constituent faced. That should alert us to the issue. I am pleased to put this matter on the public record, so that people are aware of the risk. Although the risk is small, some people may not want to take it if their pets are so important that they could not bear to be parted from them.

The third area of public policy that I want to probe the Minister on is the six-month quarantine that we insist on for animals coming into the country. The helpful briefing on this debate that I received from the British Veterinary Association said that Nigel Gibbens, the chief veterinary officer, Professor Phil Craig of the university of Salford and Dr. Dilys Morgan of the Health Protection Agency have stressed the need for the current UK requirements to continue. Those requirements are exercised under a derogation from the European Union scheme. However, those people who are much more qualified on such issues than I am support the requirements only because of the problem of tapeworms, specifically the E. multilocularis tapeworm. Is that tapeworm the reason why the UK has a six-month quarantine and is not part of the general European pet passport scheme? We stand with only Ireland, Malta, Sweden and Finland in having a derogation that allows us to have tougher enforcement provisions.

The fourth and final general area of policy that this debate can usefully highlight is about United Kingdom dogs. The UK is thankfully rabies-free, and we must take the proper measures to ensure that we stay rabies-free. Dogs that originate from the UK will have had all the correct vaccinations, blood tests and microchips. When British originated dogs return to the UK from abroad, is there not a case for treating them slightly differently from dogs from the rest of the EU, where rabies is still a problem? It is principally a problem in Romania and Latvia, and is thankfully much less of a problem in the rest of mainland Europe. I wonder whether discretion could be exercised in that area, perhaps in relation to my first point on the general discretion that the Secretary of State is allowed.

Those are the four issues that I want to raise. My constituent's case was tragic. There were two errors, neither of which were her fault. They were innocent errors; they were not made deliberately. The first error was made by a vet after the dog's original microchip came out. A blood test was done after a new microchip was inserted. I understand that a revaccination should have taken place at that point. The dog was then moved to America and had a subsequent blood test there at a local reputable laboratory. However, I understand that the legislation states that the Department accepts only one laboratory in the whole of the United States of America as being valid as far as re-entry into the United

[Andrew Selous]

Kingdom is concerned. That situation caused the second six-month sentence for the dog, which is currently in Sweden. It is quite a well travelled dog: it has been half way around the world. I am informed that, on 29 July, the dog will be warmly reunited with its owner who has been resigned to waiting for the past month.

In essence, that is what happened to my constituent. She has done a lot of research on this general area, and she has pointed me in the direction of a written answer from the Minister's predecessor, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), who responded on 26 November 2008 to a parliamentary question from my hon. Friend the Member for Congleton (Ann Winterton). It is wonderful that our constituents have all this information available through the internet, because they can see exactly what we are up to—the questions that we ask and the answers given by Departments. The Minister's predecessor said:

"Our current controls may no longer be proportionate to the risk of rabies entering the UK."—[*Official Report*, 26 November 2008; Vol. 483, c. 1621W.]

The excellent officials who are sitting behind the Minister obviously advised his predecessor on that. I would be interested to hear his comments on the matter. I do not want to push the Department to do one thing or another. I am not scientifically qualified and I am not a vet, but I am aware of the rabies risk in this country, and I am here in an interrogatory mode to try to get answers to some of those questions.

A final related issue is, again, of great significance to disabled constituents, particularly those who have difficulty with their sight or require assistance. I briefed the Minister on that matter this morning. I should like to express my appreciation of the work of the Guide Dogs for the Blind Association, which contacted me to let me know about the difficulties with certain airlines and airports in relation to allowing assistance dogs to travel with their owners who need assistance within the stipulation of the pet passport scheme. I am informed that that issue relates to the European regulation on the rights of disabled persons and persons with reduced mobility when travelling by air, which was introduced in July 2008.

The regulation requires European airlines to carry guide dogs and other assistance dogs in the cabin of the aircraft with their owner at no extra charge, subject to national rules, such as the UK pet travel scheme. That all sounds well and good. In the United Kingdom, Birmingham, Bristol, Luton, Stansted, Doncaster, Glasgow, London Gatwick, London Heathrow and Manchester airports are all approved. However, that is not quite as good as it sounds, because I further understand that although Luton, Stansted and Bristol airports are approved, none of the airlines that have sought approval for their routes fly into them.

We seem to be stuck in a bit of an impasse, because people who quite properly should be able to travel with their assistance dogs face a two-stage hurdle: they have to get clearance from the airport and the airline. Will the Minister say whether he is making the airports and airlines feel the heat a little on this issue? Are they delaying in some way? Luton airport, which is close to my constituency and serves a large number of my constituents, has done the right thing. What pressure is the Minister and his colleagues in the Department for Transport putting on those airlines that fly in and out of Luton to make sure that they do the right thing? Edinburgh jumps out as being an airport that is not on the list of nine approved airports. Perhaps the Minister can tell me what he is doing to make Edinburgh airport do what the other airports have done.

I shall draw my remarks to a close. Again, I express my gratitude to you, Mr. Caton, and to the former Speaker for allowing me to raise these issues in this land of animal lovers, and I look forward to the Minister responding as helpfully as he can to the various points that I have made.

4.40 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): It is a pleasure to see you in the Chair this afternoon, Mr. Caton. I congratulate the hon. Member for South-West Bedfordshire (Andrew Selous) on securing the debate, which draws our attention to the important issue of how the UK protects itself against diseases carried by animals, and to the burden that responsible pet ownership can place on people who want to travel with their pets. We need to maintain our protection against rabies and other serious diseases while allowing people to move as freely as possible with their pets.

I am grateful to the hon. Gentleman for giving my office advance notice of specific issues that he would raise. I hope that I am able to respond to all of them in the course of my remarks. Clearly, if I do not or am not able to, I would be happy to write to him in due course.

Rabies is a truly devastating disease and is almost invariably fatal once a patient exhibits symptoms. Across the world, it kills some 55,000 people a year, largely in India, south-east Asia and Africa. Apart from infrequent cases in quarantine, the UK has been fortunate to be free from rabies for many decades, and the situation in continental Europe has greatly improved in recent years.

The risk of rabies, as well as the possibility of picking up other diseases, means that no owner should take the responsibility of travelling with their pet lightly. It is a serious business, as the hon. Gentleman said, and, although we have serious controls in place to mitigate the risk, a strong burden of responsibility falls on pet owners.

For many years, quarantine was this country's main defence against rabies. All animals entering the UK had to be isolated for six months in approved quarantine facilities. That ended when we introduced the pet travel scheme in 2000. It was designed to offer protection against disease risks to animals and the public while allowing people flexibility to travel with their pets.

The pet travel scheme introduced a dual system: pets from high-risk countries still spend six months in quarantine, but pets entering from some lower-risk countries including European Union members and the United States, are, in effect, allowed to serve their quarantine period in the country of origin. Such animals now enter with a passport that proves that they have been microchipped and vaccinated, that their blood has been tested to check that the vaccine has taken effect, and that they have waited for six months. The six-month wait is to ensure that the animal had not already been infected with rabies.

There is a further requirement for owners to treat their pets against ticks and tapeworm. The treatment must be applied between 24 and 48 hours before travelling. The hon. Gentleman asked specifically about tapeworm. UK tick and tapeworm controls are in place to minimise the risk of certain diseases entering the UK as animals move under the pet travel scheme without spending time in quarantine. Tapeworm controls deal with Echinococcus multilocularis, which causes an extremely unpleasant liver disease in humans. It usually proves fatal if not treated, and even with treatment leads to dangerous chronic illness. Tick treatments aim to deal with a variety of ticks that have the potential to become established in the UK.

The hon. Gentleman realises the significance of tapeworms. He asked about timing of the treatment. It must be given 24 to 48 hours before travelling, not six months. The 24 to 48-hour window ensures that animals excrete any tapeworm eggs before travelling to the UK, and that they have not had a chance to be re-infected in the country of origin.

The hon. Gentleman asked about discretion in the rules. The Secretary of State for Environment, Food and Rural Affairs has no power to authorise exemptions from the requirements of the pet travel scheme. The rules are clearly set out in legislation, and, given what I said about the seriousness of rabies, I am sure that the hon. Gentleman and other hon. Members would want the Government to maintain a robust approach to the controls.

As the hon. Gentleman mentioned, out of more than 500,000 pet journeys, there have been an extremely small number of cases in which, outside the pet travel scheme, Ministers have decided to exempt animals from the standard quarantine requirements. That has only happened when the owner was able to demonstrate the most extreme personal circumstances and needed to be reunited with their animal. Even in those cases, certain restrictions on the handling and movement of the animal were rigorously enforced. If the hon. Gentleman will forgive me, I will not give specific details of those cases, but I can assure him and others that Ministers give all such matters the most serious consideration.

The hon. Gentleman also raised the problem of illegal imports. No system is perfect, and there will always be people who try to break the law. The nature of that activity means that it is difficult to specify the number of animals illegally imported. However, we enforce the law, and I can inform him that we detected 196 illegal landings in 2008. We factor illegal activity into our risk assessments. We consider the implications for enforcement of the scheme, and we have strong penalties in place for offenders. The existence of the pet travel scheme itself is an important incentive to comply; previously, all animals had to serve six months in quarantine.

The hon. Gentleman asked whether there should be different rules for British animals. The rules of the pet travel scheme are designed to protect human health, native pets, and animals that travel with their owners. Animals that comply and can demonstrate that they have been effectively vaccinated, whether they are from the UK or not, can travel freely between European member states and listed third countries, such as the United States, Canada and Australia. Only those that cannot fully demonstrate that they meet the rules are required to re-prepare for entry.

On the rights of disabled people, the hon. Gentleman raised a point about individuals taking dogs on to aircraft. I was previously aviation Minister, but no longer. On behalf of the Department for Transport, I signed the protocol to which the hon. Gentleman referred, which is relatively new and still working its way through. I am sure that is one of the reasons why there is no comprehensive endorsement from airlines or airports—it is still being developed, and some are still trying to comply. There is a European regulation that sets out people's rights in that respect. It requires European airlines to carry assistance dogs—including guide dogs—in the passenger cabin of the aircraft with their owner at no extra charge. That is subject to any national rules that may apply, such as the pet travel scheme.

Under the approval scheme for carrying pets—including assistance dogs—into the UK, airlines will enter into a contract with our animal health agency to demonstrate that they have the means and facilities to check those animals on arrival. DEFRA, the animal health agency and the Department for Transport continue to work closely and meet with airlines, including no-frills operators, to advise on that process. Ultimately, however, it is up to the airlines to seek approval.

As things stand, the derogation that enables the United Kingdom to retain our current pet movement controls comes to an end in June next year—although the European Commission last week promised that the derogation could be extended until the end of 2011. As we consider future controls, we are in close discussion with the Commission and other member states about what a European system should be. We have to balance the evidence of risk from rabies, tapeworm and tick-borne diseases, which affect everyone, against the burden on pet owners who wish to travel with their pets.

I accept that it is particularly difficult when the law, which has safeguards written in for sound reasons, throws up unusual and distressing cases. The Government must continue to comply with European and national law as they stand, but as we consider the future of our pet controls, we have an opportunity to think about where more flexibility is possible. I will therefore carefully consider the issue of flexibility in our discussions with the European Commission and other member states on future pet movements.

The hon. Gentleman raised the issue of his constituent, and has described how our controls may impose a burden on individuals in the name of protecting animals and the wider public. I sympathise and understand how frustrating the situation must be. It is unfortunate that it seems that mistakes, as he has outlined, by private veterinary surgeons meant that on two separate occasions the animal did not comply with the requirements of the UK pet travel scheme.

Let me explain why the pet was refused entry into the UK. The first time, as I understand it, the animal's microchip failed. If we cannot identify a dog at the border, we cannot be sure that it has been vaccinated against rabies, blood-tested and treated for tick-borne diseases and tapeworm, as I have described. The microchip is the key to the pet travel scheme and it is the most cost-effective and reliable means of identification.

On the second occasion, the blood sample that tested whether the dog's rabies vaccination had been effective was sent to the wrong laboratory in the United States. Between 2 and 5 per cent. of rabies vaccinations do not

[Jim Fitzpatrick]

work and a test is required to ensure that the vaccine has taken effect. The law states that the test must be:

"carried out in an approved laboratory".

That means a laboratory that has been accredited by the European Union. That gives us the assurance that we can trust the work that is done at laboratories and the assurance that that work follows a standardised process.

The hon. Gentleman said that there were 4,800 problems with animals in the last year for which we have figures. That is true, but that is out of 115,000 animals, and the problems mostly arose because of expired vaccinations. So we are talking about less than 5 per cent. of cases. Some might be small matters that do not require a great deal of activity and can be dealt with quite quickly. In the vast majority of cases, the scheme is clearly working very effectively.

Andrew Selous: I am most grateful to the Minister, not least for the spirit in which he is replying to the debate; what he has said has been genuinely helpful. There is just one area that I want to press him on. I want to take him back to the issue of assistance dogs. He said that it was up to the airlines to decide whether to take them. He and I both know that some of the airlines perhaps require some assistance themselves, shall we say, to move along a little faster. Given that he is a past aviation Minister, may I urge him to have a word with some of his former colleagues in the Department for Transport, so that they can have a friendly word in the ear of some of the airlines about the issue? Let me take the example of Luton airport again. The airport is ready, but none of the airlines there are ready. That does not strike me as being quite good enough.

Jim Fitzpatrick: I understand the hon. Gentleman's frustration and I am sympathetic to the point that he makes. Clearly, the challenge is having to regulate to force people to do things. I know that the Conservatives, like the Government, want to have the lightest-touch regulation for business, to try to encourage best practice. That approach is always more successful than forcing people to do something. I know that officials in my Department are meeting two of the low-cost airlines fairly soon and I am sure that they will raise the point that he has asked us to raise with them.

It is certainly in the interests of airlines to be able to offer products that attract the majority of people to buy them. If one airline is offering a facility that other airlines are not, it gives them a competitive edge. The protocol that was signed within Europe for assisted transport was to encourage best practice and standards that everybody would aspire to. As the hon. Gentleman has described, and as I mentioned, we have clearly made a lot of progress in a relatively short period of time, but we obviously want to ensure that the coverage is as comprehensive as possible. I hear what the hon. Gentleman has said and I am sure that officials from my Department will be able to raise the issue with the airlines. If there is any information that comes from their meeting with the airlines, I will be happy to write to the hon. Gentleman to bring him up to speed.

To conclude, I again congratulate the hon. Member for South-West Bedfordshire on securing this interesting and timely debate. I also assure him that, although the Government's priority will remain the protection of human and animal health, we will continue to implement proportionate movement restrictions in compliance with European Union law. The pet travel scheme is something that we are very proud of. The numbers of people using the scheme demonstrate that it is very popular. More than 500,000 people in total have now used it. As I have said already, in the last year for which we have figures 115,000 people used the scheme. It is growing all the time. We need to be vigilant, we need to ensure that pet owners are looked after, and we need to be as sympathetic and compassionate in this area as possible.

Question put and agreed to.

4.54 pm

Sitting adjourned.

Westminster Hall

Thursday 25 June 2009

[MRS ANNE BEGG *in the Chair*]

Bill of Rights (UK)

[Relevant Documents: A Bill of Rights for the UK: Twenty-ninth Report from the Joint Committee on Human Rights, Session 2007-08, HC 150-I, and the Government response, HC145, Session 2008-09.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Helen Jones.)*

2.30 pm

Mr. Andrew Dismore (Hendon) (Lab): It is perhaps surprising that this is the first opportunity that the House has had to debate the question of a Bill of Rights, bearing in mind that it has been under consideration for the best part of two and a half years.

There is no doubt that constitutional renewal is back on the political agenda. In his recent statement to the House on democratic reform, the Prime Minister said that

"setting out the rights that people can expect as a British citizen, but also the responsibilities that come with those rights, is a fundamental step in balancing power between Government, Parliament and the people."—[*Official Report*, 10 June 2009; Vol. 493, c. 798.]

It is one of the five major issues on which the Prime Minister said the Government will set out proposals for debate and reform over the coming weeks. The question whether there should be a Bill of Rights for the UK, which many thought had been quietly forgotten, could therefore become important in the run-up to the election.

The debate should not be dominated by dusty old experts on the constitution or policy wonks fresh from think-tanks. The issue is central to many of the most important challenges of our time: how to protect people against the insecurity caused by the worst global recession since the 1930s; how to restore the public's confidence in democratic politics; and how to make public services more responsive to the people that they serve.

The Joint Committee on Human Rights began our inquiry into the question of a Bill of Rights in May 2007, against the background of an unprecedented consensus among the major political parties about the need for a British Bill of Rights. That consensus reflected a wider view among the public, which was revealed consistently in opinion polls such as the Rowntree "State of the Nation" poll, which showed a strong majority in favour.

There is much less consensus on why a new Bill of Rights is needed, and no consensus at all on what rights should be included, or on how it should affect the existing balance of power between Government, the courts, Parliament and the people. Under my chairmanship, the JCHR has sought to build a greater understanding about human rights, both in the House and more importantly, among the wider public, drawing on the potential of discourse to transcend party political dividing lines. One of the purposes of our inquiry was to ascertain the extent of agreement on the really big issues in the Bill of Rights debate.

Two years after the start of our inquiry, I believe that there is now a greater understanding of those issues, and sufficient consensus at least about the most important questions to move on to the crucial next stage of a focused public consultation conducted by an independent committee with a view to making recommendations to the Government. I hope that will happen early in 2010.

I shall focus on some of the key themes of our report, including what sort of Bill of Rights the UK needs; whether social and economic rights should be included; how a Bill of Rights complements, and is essential to, democratic renewal and public service reform; and whether there is any place for responsibilities or duties. I shall also explain why it is important that the debate proceeds from the premise that any new Bill of Rights must supplement, and not take away from, the protection already afforded to human rights by the Human Rights Act 1998.

The purpose of Bills of Rights in history, such as Magna Carta in 1215, France's Declaration of the Rights of Man in 1789, and the American Bill of Rights of 1791, was to protect the individual's liberty against the intrusive power of the overbearing state. Liberty was conceived only in the negative: an absence of restraint. In the middle of the 20th century, however, conceptions of liberty and human rights began to change. President Roosevelt, whose interventionist new deal rescued the US from the great depression, redefined those concepts with his "four freedoms", to include not merely the absence of restraint, and freedom of speech and religion, but an absence of want and fear. Liberty in that conception included the right to economic security, which was reflected in the preamble to the universal declaration of human rights.

Debates about Bills of Rights have too often been hobbled by the assumption that there is an irreconcilable conflict between those two human rights traditions. In our report, however, we recommend that in our modern parliamentary democracy, a Bill of Rights should seek to combine them. The Bill needs to reflect the values that are so much part of our national identity: the rule of law, with power exercised lawfully, with the oversight of an independent judiciary; liberty, meaning freedom from restrictions; democracy, which gives people control over the decisions that affect our lives; fairness, meaning that equal rights are to be treated with dignity and respect; and civic duty, to reflect our broader responsibilities to each other and our communities.

Of course, any modern Bill of Rights must also include those long-standing rights that we in the UK regard as our birthright: the right not to have our homes entered or be subjected to intrusive surveillance without proper justification and effective safeguards against intrusion into our privacy; the right to peaceful protest and to freedom of expression; and the right to jury trial for those accused of serious crimes, although that is not a tradition in Scotland.

Other UK rights have emerged more recently. They include administrative justice, which ensures that decisions taken by those in authority are fair and impartial. If necessary, that can be backed by the right to review by the courts. Data protection, freedom of information and equality rights have also emerged. The Equality Bill

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strengthens that last right, but it does not include an overarching constitutional guarantee of equality. I expect that we will have more to say on that during our scrutiny of the Bill.

The JCHR has been second to none in defending both traditional, ancient rights and newer modern liberties against unjustifiable interferences. It almost goes without saying that any UK Bill of Rights should include them in its catalogue of fundamental rights.

However, a modern Bill of Rights should also include protection for those rights that our society regards as equally important, such as rights to health, housing, education and an adequate standard of living. Civil and political rights are obviously fundamental, but they are pretty meaningless to those facing destitution, homelessness, chronic ill health or a lack of education. When my constituents complain to me in my advice surgery about their human rights being infringed and thump the table, it is usually about their health care, housing, education or benefits, all of which are not currently recognised in our law as relevant human rights at all, but which people think are so recognised. An Englishman's home may be his castle, but that cannot be so for those with no home or no secure home in the first place. Education underpins freedom of expression, but the right to vote is not uppermost in the mind of the destitute person who sleeps in an office block doorway, who might be subject to police harassment.

Such rights are expected by the population, too. The Joseph Rowntree 2006 "State of the Nation" report said that 88 per cent. thought the right to NHS hospital treatment within a reasonable time should be included in a Bill of Rights. On a par with that, 89 per cent. thought that the right to trial by jury should be included and 65 per cent. thought that the right of the homeless to be housed should also be included.

The Convention on Modern Liberty, to which I was pleased to speak in February this year, has done an excellent job in raising public awareness of the need to protect the vital traditional liberties that I have described and the others set out in our report, but that is only half the story. A modern Bill of Rights must provide such protection but, equally, it cannot confine itself to purely libertarian concerns if it is to be relevant to our 21st-century society and all our citizens, from the Duke and his heirs with the landed estate and stately home to the desperate lone parent in her housing estate flat.

The human rights obligations of today require the state to take action to protect human rights, whether that means providing public services such as health and education, protecting against the insecurity of destitution by providing welfare benefits, or protecting the vulnerable against the powerful, including those with private power. The Prime Minister went a long way towards accepting that in principle when he acknowledged the indivisibility of civil and political rights and social and economic rights in his speech to the Equality and Human Rights Commission on the occasion of the 60th anniversary of the universal declaration on human rights. We therefore set out in our report an outline illustrative draft that contains both civil and political rights, and social and economic rights, which are two sides of the same coin.

I welcome the Government's constructive engagement with the issue of whether and how a UK Bill of Rights should include social and economic rights. The Government have shown that they have a very open mind on that. They have moved considerably from their initial position of scepticism in the 2007 "Governance of Britain" Green Paper. They showed a distinct lack of imagination in the paper, dismissing the inclusion of social and economic rights out of hand, on the ground that it

"would involve a significant shift from Parliament to the judiciary in making decisions about public spending and, at least implicitly, levels of taxation".

The Prime Minister himself helpfully intervened in the debate. He acknowledged the modern reality that rights such as the right to health are now considered to be fundamental by the public and that they are regarded as one of the defining features of the country. He said that the real question was not whether they are properly to be regarded as fundamental rights, but rather whether, or to what extent, they should be legally enforceable.

Since that time, the Government's position has continued to evolve. In evidence to our inquiry, the Government accepted that a range of options could be pursued, from fully justiciable and legally enforceable social and economic rights at the one extreme, to purely declaratory principles, of purely symbolic rather than legal effect, at the other. In our report, we freely acknowledge the difficulties of including rights such as health and education in a UK Bill of Rights and reflect especially on the extent to which the courts could and should make decisions about issues normally determined by politicians. We therefore developed and now advocate an approach that we believe counters those problems.

We propose placing a duty on Government to make progress towards realising rights to education, health, housing and an adequate standard of living, and to report that progress to Parliament. Although we recommend that individuals should not be able to enforce those rights directly through the courts, we believe that the courts should have a limited role in reviewing the reasonableness of the measures taken by Government, a role closely circumscribed by the express spelling out of the considerations to be taken into account when assessing the reasonableness of the measures taken. We suggest a series of such conditions in the report.

Courts should also be able to take social and economic rights into account when relevant to the interpretation of other legislation or common law. Of course, if interpretation clearly points one way, those rights would not be relevant, but if an argument were evenly or closely balanced, giving effect to the Bill of Rights could be seen as a tie breaker. Parenthetically, I should say that, generally—not just in the context of social and economic rights but for all the other civil and political rights too—we believe that the Bill should have a strong interpretive clause requiring any body interpreting it to strive to achieve its purpose and give practical effect to the fundamental values underpinning it.

We have been encouraged by both the Government's response to that section of our report and the prominence of social and economic rights in the Government's "Rights and Responsibilities" Green Paper. The Government now appear to recognise the force of the case for developing domestic formulations of economic and social rights and to accept that there might be ways of recognising rights, including social and economic rights, that already exist but are not currently enunciated as rights in UK law.

In the non-justiciable NHS constitution and the recently published Child Poverty Bill, the Government have gone further and provided a fascinating test case of how to provide a legally binding framework for the progressive realisation of social and economic rights in the campaign against child poverty. As South African Justice Albie Sachs, that world-renowned defender of democracy, freedom and equality told us during our inquiry, a country that does not include social and economic rights in some form in its Bill of Rights is a country that has given up on aspiration.

As an illustration, the Child Poverty Bill concerns the progressive realisation of the child's right to an adequate standard of living as enshrined in article 27 of the UN convention on the rights of the child and imposes an absolute duty on the Secretary of State to achieve certain targets by 2020. The duty is unqualified by reference to resources or budgetary considerations, nor is there any power in the Bill to amend the target. There is a separate duty to have a strategy to achieve those targets. Although that duty is qualified by the requirement that the Secretary of State must have regard to economic and fiscal circumstances, the duty to meet the targets themselves remains unqualified.

The Secretary of State for Work and Pensions made it clear on the Bill's introduction, and the Financial Secretary to the Treasury, confirmed in evidence to the Select Committee on Work and Pensions on 17 June that a Government who failed to show they were taking steps to achieve the targets could be subject to judicial review. The only way for a future Government to avoid that consequence would be to repeal the Act. The Bill is a bold piece of legislation giving binding legal effect to an important social right, and it demonstrates how far the Government have come from their original opposition in principle to the inclusion of social and economic rights in a UK Bill of Rights. I note that some of the provisions in the Equality Bill relating to social and economic inequality can be taken into account when public bodies set their strategic plans. Again, those strategic plans could be subject to judicial review if it is demonstrated that the body in question should have taken social and economic inequalities into account but did not.

In our report, we argued that protecting social and economic rights would make a practical difference to the lives of ordinary people. The severe economic downturn since the publication of the Committee's report provides additional examples of how. Home repossessions are one example. The number of home repossessions owing to default on mortgage repayments has increased dramatically in recent months. According to the Council of Mortgage Lenders, some 45,000 homes were expected to have been repossessed by the end of 2008, and the number of people in mortgage arrears rose to 168,000. Its current year estimate for repossessions is 65,000, even after a downward reassessment and including the measures taken by the Government to help home owners in this challenging economic climate.

The Financial Services Authority and CML report that more than 1 million households are likely to default on a mortgage payment over the next year. On 22 October 2008, the Prime Minister announced new guidance to county court judges to ensure that repossession is granted only as a matter of last resort. A new pre-action protocol on seeking possession based on mortgage arrears came into force on 19 November 2008. In the meantime, however, the High Court ruled in October 2008 in the case of Horsham Properties *v.* Clark that lenders are entitled to sell properties over the head of the home owner, without having to go to court, after a single default on a mortgage payment. After just one missed instalment, the new purchaser/owner of the property is entitled to a possession order against the borrower, who is now seen in law as a mere trespasser in the home that the law says they no longer own.

The pre-action protocol can therefore be circumvented far too easily by lenders invoking their power to sell the property without having to go to court. The FSA and CML have reported that UK sub-prime lenders have been taking an increasingly aggressive approach to repossessions and predict that the trend is likely only to increase in the light of economic conditions.

In our report, the Committee recommends that the right to housing is one social right that should be protected in any UK Bill of Rights. We suggested in our draft outline Bill of Rights the inclusion of a provision to the effect that

"No one may be evicted from their home without an order of a court."

If the UK had a Bill of Rights that included such a provision, it would no longer be open to the courts to interpret the law so as to allow lenders to realise their security by selling people's homes without first obtaining at least a court's approval and convincing a judge that such a drastic step is proportionate in all the circumstances.

In the meantime, I have tabled a private Member's Bill under the ten-minute rule designed to give borrowers at risk of repossession at least some basic protection from such sales by unscrupulous lenders by guaranteeing everyone's human right not to be thrown out of their home without a court order. That would not mean that people who default could stay in their homes indefinitely, but it would mean at least some fairness and due process before a lender can literally take the roof from over people's heads. The Bill is due for Second Reading tomorrow. Perhaps Front-Bench Members could indicate their support in principle for it and the vital protections that it would provide.

Sir Alan Beith (Berwick-upon-Tweed) (LD): How does the hon. Gentleman envisage that the statement of the right to housing would be applied by the courts in a situation where a family was breaking up and the two partners were arguing who should have custody of the children and who therefore needed the house? Would they both have a right to housing such that a public authority would immediately have to provide them with another house?

Mr. Dismore: I certainly would not go that far. We can take examples from what is happening in South Africa in cases involving the right to housing. It was found that if one wanted to jump the housing queue there, it simply would not work that way. South Africa has done a magnificent job—it has built some 3 million homes since the end of the apartheid era—but it still has a huge waiting list. It would not work in that context.

[Mr. Dismore]

However, another housing case involved people who had been left destitute and were living in a field, having been thrown off their land. I cannot remember the exact name of the case—it begins with B—but it will probably come back to me later. In that case, the court said that the state was required to give those people, who were living in a field with no shelter at all, at least minimum basic protection against the weather. In that case, a sensible decision was taken by the South African courts to suggest that there should be a certain minimum level of protection against destitution.

David Howarth (Cambridge) (LD): That is an interesting example. It raises a question that I was going to raise later about social and economic rights. According to the human rights standards under which we operate, there is a right not to be left in destitution. Does the hon. Gentleman see things such as the right to housing as simply examples of that—an operationalisation of that right—or does he see them as going further than the right not to be left in destitution?

Mr. Dismore: I am not entirely sure that we actually have a right not to be destitute, as far as human rights are concerned; it is a social and economic right. I suppose that we could draw those rights as principles from other parts of existing legislation: for example, one of the Local Government Acts deals particularly with the question of destitution. However, there is no overarching right. There is a duty on the local authority to ensure that people in the area are not destitute, but I do not think it has the mirror-image effect of giving the individual a right in that respect.

We recommend that a right not to be destitute be enshrined in the Bill of Rights. It could operate through the interpretation of social security law. If there is a strong interpretation clause in the Bill of Rights, social security bodies would have to make decisions in the context of that clause. I have given the housing example of people not being evicted without the order of a court. That could be called a procedural right, but I think that it is rather more than that.

In the circumstances that the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) put to me, a court clearly would be involved in making the decisions. That is not to say that there is an absolute right to housing, but that one cannot be deprived of housing without a court decision. That is the point that I made in relation to repossession. I am not saying that if our proposal was accepted people's houses could not be repossessed, but that they could not be repossessed without the consideration of a court. Because of the Horsham Properties case, all the machinery that is there to protect people can currently be circumvented.

I shall move on to the issue of responsibilities, which is another key battleground in the debate. Our report was strongly opposed to a Bill of Rights being called a Bill of rights and responsibilities. We did not see the purpose of articulating explicitly in a Bill of Rights responsibilities as general as the responsibility to obey the law. However, in the Green Paper, the Government continue to pursue the curious suggestion that various legal and moral duties, such as the duty to ensure that your child attends school, the duty to co-operate with the police and the duty to obey the law, may have a place in a Bill of Rights. The JCHR strongly disagrees with that approach. It comes across as bossy and authoritarian, and it is pretty meaningless. There would be no value added. Nevertheless, references to responsibilities in a Bill of Rights would be unobjectionable, to the extent that they acknowledge responsibilities that are implicit in human rights law and that the powerful—including private power—may have responsibilities not to interfere with the human rights of others.

We are currently conducting an inquiry into business and human rights. It is widely recognised that businesses, as powerful private entities with the ability to affect people's human rights in many ways, have a responsibility to respect those rights. Indeed, that is recognised in the widely accepted international framework dealing with business and human rights. Although I do not want to pre-empt our report on human rights and business, the report we are considering deals with the Bill of Rights and private parties. That has become known as the question of horizontality in the Bill's application. We agree that a Bill of Rights should not give free-standing causes of action to individuals against other private parties, for a breach of their fundamental rights. However, I would like to raise some key points.

First, the delivery of public services by private companies, either through privatisation or contracting out, has been thrown into confusion by the YL case in the House of Lords. I will not discuss the issues arising from that case at length because they are well rehearsed. When the Human Rights Act 1998 was passed, it was intended that privatised services would be covered. We have since seen sticking-plaster amendments to bring care homes within its protection, but its application to other services remains unclear. That has led to interminable correspondence on behalf of the Select Committee between me and Departments, and yet another of my private Member's Bills, which is scheduled for Second Reading next week on 3 July and will try to clarify the position.

This issue must be resolved in a comprehensive way; not on a hit-and-miss, case-by-case basis. When the debate kicked off after the YL decision, I understand that the Government's position was that it would be dealt with as part of the Bill of Rights debate. I now understand that it has been shelved and may be considered through a separate consultation. Will the Minister say exactly where we are with the YL issue? It is pressing because another case concerning privatised prison services, which I cannot go into, is due to be tried before the courts very soon. We recommend that the Bill of Rights should make it clear that when public services are delivered by a private body, that must be done in a non-discriminatory way.

Secondly, an aspect of growing importance is that the state may rightly be expected to provide protection for the rights of one private party against another. An example is the old and valued right I referred to earlier of security in the home against intrusion. Is it right that certain private internet operators can put on their websites detailed films and photos of our homes, back gardens and activities taken from space? We may well address that issue in detail in our forthcoming business and human rights report.

Thirdly, the right to a healthy and sustainable environment—a so-called third generation right—has developed into a right capable of legal expression. We

recommend it as a candidate for inclusion in the Bill. That right could well demonstrate the need for similar, indirect mechanisms for the protection of individuals by the state against private polluters. Although we do not support a direct horizontal cause of action, we believe that indirect effect could be given through requiring interpretation by the courts of legislation or common law in a way that is compatible with the Bill of Rights. The courts should be included as one of the bodies under a duty to act in compatibility with it and should take active steps to promote and fulfil the freedoms in the Bill.

I shall briefly mention international human rights instruments. The Bill of Rights debate could look outwards more to the international agreements that we have signed and ratified, such as the conventions on children's rights and, most recently, on disability rights. The Bill of Rights would be a useful and effective way of incorporating into the domestic agenda our general obligations to such vulnerable groups. We urge the Government to consult on whether there are rights under human rights treaties that are not yet included in domestic law, which it would be appropriate to include.

We must be mindful of devolution. I have already mentioned that Scotland is different from England and Wales in respect of jury trials. Northern Ireland has been through a lengthy process to produce a draft Bill of Rights for Northern Ireland. The report speaks of a Bill of Rights and Freedoms for the UK. The debate raises many questions about national identity and requires dialogue between central Government and the devolved Administrations. I was astounded to learn that ours was the first Westminster Committee ever to hold formal evidence sessions at the Scottish Parliament. Devolution does not preclude a UK document, but there must be provision for separate, added-on or subtracted rights as the devolution settlement may require. That can emerge only through effective dialogue with the devolved Administrations.

Finally, and perhaps paradoxically, I come to the title of the Bill of Rights.

Sir Alan Beith: The words of the Government response on the matter of devolution are characteristic of the Government's relations with the devolved bodies that we described in the Justice Committee report on devolution. The Government response states:

> "The Government is alert to the need to engage with the devolved administrations and the devolved legislatures."

In other words, "We haven't done it yet, but we might get around to it."

Mr. Dismore: I am grateful for the right hon. Gentleman's intervention. When we went to Scotland it was clear that the first the devolved bodies had heard of the debate about the Bill of Rights was when we went to talk to them about it. There was a complete oversight on the part of the Government on the devolution dimension. The situation was different in Northern Ireland because the process had started and the Government were fully engaged through the Northern Ireland Office. A very interesting document was produced on that.

The Minister of State, Ministry of Justice (Mr. Michael Wills): I am grateful to my hon. Friend for giving way. I realise that I will have a chance to say my piece, but on this issue my hon. Friend and the right hon. Member for Berwick-upon-Tweed are wrong. We have been engaged with the devolved Administrations for a considerable period. I am not sure why my hon. Friend got the impression he did, but it was a wrong impression. We are actively engaged and will continue to be so.

Mr. Dismore: I was given that impression by the Scottish Government Minister we spoke to, who seemed to suggest that there had been no interchange with the UK Government on this issue. If the Government are engaged with the devolved Administration in Scotland, I am pleased to hear it and withdraw my criticism.

Mr. David Burrowes (Enfield, Southgate) (Con): Was the Select Committee not too dismissive of the difficulties in dealing with devolution in relation to a new constitutional settlement? The recommendations said that the devolution settlement created certain difficulties. However, the Select Committee took evidence from Professor Robert Hazell about a similar issue that arose when the Canadian charter of rights and freedoms was introduced without Quebec's consent. Quebec refused to accept the new constitution as a whole. Does that not show the dangers of going down this route with Scotland?

Mr. Dismore: I certainly do not think that we are dismissive of the problems. We are saying that we need dialogue to resolve the issues, and that dialogue was perhaps missing in the case to which the hon. Gentleman referred in Canada. There is certainly a willingness to engage in Northern Ireland. The main worry there is that the implementation of the Northern Ireland Bill of Rights will be delayed because of the wider debate in the UK. One of the issues that we have to address in that wider context is how the Northern Ireland Bill of Rights, which is a very advanced document, can be married up with a wider UK Bill of Rights. For example, there are certain rights, including cultural rights, in Northern Ireland as a result of the particular circumstances there, but they are perhaps less important elsewhere. There are also issues relating to the religious tensions of the past. In Scotland, there are different issues because of the different legal system. We have to see how we can make those fit together.

Can we have an overarching Bill of Rights for every eventuality? I do not think that we can. We may have to have separate documents, which supplement a UK Bill of Rights, or we may have to have different caveats to it. That can be achieved, and there is a general willingness in the devolved Administrations to work towards that, as long as their specific circumstances are recognised. When I came back from Scotland, one of my main concerns was that that did not seem to have been the case so far. However, the Minister tells me that we are now well engaged, and I hope that the issue will be overcome, if it was an issue in the first place—we thought that it was, but he says that it is not.

To return to my previous point, the Committee believes that the Bill should be called a UK Bill of rights and freedoms. In the end, we regard the Government's preferred title, which includes the word "responsibilities", as somewhat inchoate and a distraction. It is probably intended for political reasons, rather than to have any meaningful effect. Our proposed title reflects the marriage of old and new—our traditional freedoms and liberties, the

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new rights emanating from the Human Rights Act, social and economic rights and all the other ideas that I have covered.

As I said at the beginning, this is the first chance that the House has had to debate a Bill of Rights, which is so important for our society in the 21st century. I hope that it will not be our last chance to debate the issue and that the idea will catch the public's imagination and find engagement. The old Bill of Rights has lasted for more than 300 years, and I hope that the modern Bill of Rights will, in the same way, be a vital part of our constitution for centuries to come.

3.2 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): I warmly welcome the report for its excellent handling of where we have got to on human rights and for clearly setting out so many of the issues. I do not agree with all its conclusions, but I welcome its general emphasis and many of its specific conclusions. It is an extremely useful piece of work, from which hon. Members on both sides of the House can benefit.

Let me start by referring to two approaches to the Bill of Rights that worry me profoundly. One has generally come from members of the Conservative party and particularly from Eurosceptics in it, who cannot quite get their heads around the fact that the European convention on human rights is not a product of the European Union, but a much earlier product of the Council of Europe, which was signed by a Conservative Minister many years ago. That line of argument suggests that if we had a UK Bill of Rights or a British Bill of Rights—a lot lies between those two phrases—we could somehow diminish the impact of the European convention on human rights. The Committee's report makes it absolutely clear that that is not the case, and nor is it the Government's position that that should happen. I am surprised that I still hear that argument from some on the Conservative Benches.

Simon Hughes (North Southwark and Bermondsey) (LD): I am sorry to intervene so early on my right hon. Friend, but I want to support what he says. The Conservatives are entirely inconsistent if they say or imply that that is their view, because they are among the first to ask for the rights of British citizens to be upheld in other countries, including on our continent. The best way of absolutely guaranteeing that those rights were upheld over the past 50 years has been the European convention, which has applied across almost all countries in almost all its clauses.

Sir Alan Beith: I am grateful to my hon. Friend. I should say that I do not attribute that view to the hon. Member for Enfield, Southgate (Mr. Burrowes), who is the Conservative spokesman. Indeed, I look forward to hearing from him later, when I rather believe that he will set out a much clearer, more coherent and more acceptable position.

The other position that I want to address comes from Ministers and is a rather new Labour position. Again, it is one that the Committee dispenses with almost, although not quite, entirely. It links rights and responsibilities and introduces the concept that we could have a Bill of rights and responsibilities. The Committee comes down firmly against the idea of calling the Bill a Bill of rights and duties or a Bill of rights and responsibilities. In the report, however, the Justice Secretary is quoted as having set out two purposes for a new Bill of Rights. One is to put rights in the context of responsibilities—that is a primary purpose of the Bill. The second is to add economic and social rights, and I will come to that in a moment. First, however, I want to concentrate on the business of putting rights in the context of responsibilities.

We have the right Minister with us today, because he has been very clear in his statements on this subject, as he is on many subjects. He has made it clear that rights

"cannot be made contingent on the prior fulfilment of responsibilities",

and that phrase is in the report. The Government response says:

"This is indeed the Government's view."

However, it goes on to say:

"The fact that we all have rights is no reason for people not to exercise them responsibly or for the Government not to encourage responsible behaviour so that the rights of all can be respected."

Fine. We all agree with that. I have spent quite a lot of my life trying to persuade people to behave responsibly in various ways, including politically. In that respect, I have encouraged people to carry out their political duties by voting and taking an interest in politics. I have also been delighted to support the numerous bodies and people in my constituency who do so many marvellous things to contribute to civil society and to the welfare of others. It is quite right that the Government should encourage responsible behaviour at the minimal level of not interfering with the rights of others and at the much higher level of actively contributing to society. However, that is not the same as putting rights in the context of responsibilities, which is a wolf in sheep's clothing.

Of course it is desirable that people should behave responsibly. If people break the law, they are liable on conviction to lose part of their freedom, whether through a prison sentence, a community punishment or a fine. However, should rights be dependent more generally on responsible behaviour? Clearly, if everyone behaved responsibly and considerately, it would be much easier to maintain a free, harmonious and comfortable society. It is highly desirable that people should behave in that way. However, there is no way in which we can calibrate what rights individuals should have according to how responsibly they live, except by the due process of law.

Where the law can reasonably be applied to control behaviour that is a threat to the freedom of others, as in the case even of driving without due care and attention, there can be a defined range of penalties, including loss of the right to drive a car. However, no one seriously suggests that a persistent failure to check on the health and welfare of neighbours, a refusal to contribute to the social life of the community or an unwillingness to engage in voluntary activity can be dealt with through some corresponding diminution in the right of free speech, the right of free assembly or the right to a fair trial. Indeed, that conjures up the idea of a people's court or village soviet, which can decide that some of the residents are not fulfilling their social responsibilities enough to deserve certain of the rights that the rest of us have hitherto taken for granted.

If the Government's proposal is more than mere rhetoric, it may be a misleading and potentially dangerous attempt to diminish freedom. Those who toy with the concept should explain how they believe that taking on responsibility can become a condition for the enjoyment of rights. Someone can be a bad-tempered recluse if they want to be. Society would benefit if they took a different approach to life and helped to run the scout troop, but doing so cannot be a condition for the possession of rights or the exercise of freedom.

The Committee is pretty firm in its attitude to that, except that it gives a little ground in the end by suggesting that it might be beneficial to include civic duties in the preamble. If that is no more than mere rhetoric, I wonder whether it is justified. If it creates any sense that rights can be made conditional on kinds of behaviour that are not regulated by law, it could be pernicious and dangerous. That is a most fundamental issue, on which I want to be even clearer than the Committee.

On social and economic rights, I remain something of a sceptic, although not about the concept that people have a right to housing or to access health care. Indeed, one of liberalism's fundamental features is that it was increasingly widely defined to recognise that the possession of civil liberties was insufficient to guarantee freedom. People would not be free if they were prevented, by lack of access to health care, or by total lack of means, from exercising any freedom at all. So, as a Liberal, I am no stranger to the notion that rights in the economic and social sphere are very important and are fundamental to people's enjoyment of freedom; however, it does not necessarily make those rights suitable or effective candidates for inclusion in a justiciable Bill of Rights.

I have the greatest respect for Albie Sachs, and not least for the way his court in South Africa has dealt with some of the issues that we are discussing; he and his colleagues must adjudicate in some matters of economic and social rights. It is very apparent from the history of South Africa why it should have been seen as so important to include those in any statement of the rights that people would have once apartheid was brought to an end. However, that still does not demonstrate that, to refer to his already quoted words,

"a country which does not include social and economic rights in some form in its Bill of Rights is a country which has given up on aspiration".

That is nice phrasing, but there are other ways of aspiring, and expressing aspiration, than by giving people the impression that a justiciable right will enable them to have the housing they need, the employment opportunities they deserve, or the health care that could make such a difference to their lives. One of the key reasons for that is that all those things involve essentially political decisions about resources that Governments must make, and politicians must take responsibility for their failure to provide adequate care in certain kinds of ill health, or adequate employment opportunities. Those are, rightly, major political issues, but they are difficult to make justiciable, and they put courts in a difficult position.

Mr. Dismore: We are not arguing for fully justiciable rights in that context. Our bull point is the progressive realisation of the rights, as set out, for example, in the international covenant on economic, social and cultural rights, which is part of the trio of important UN treaties on the matter. We are saying that the Government's obligation should be progressively to realise those rights, and report to Parliament on progress, in a way similar to what is proposed in the Child Poverty Bill.

Sir Alan Beith: The distinction that I am drawing is between a justiciable statement of rights—a declaration of rights or Bill of Rights—and an aspirational statement of things that Government should achieve and do. That may, of course, in some respects have the force of law, if it is incorporated in legislation because parts of it have been found capable of being given a legal framework; that is of course sometimes done in the slightly roundabout way of giving public bodies the responsibility to set targets for achieving certain things, so that the question whether they have reasonably gone through the targeting process becomes potentially justiciable.

If we do not preserve the distinction, there is a danger of weakening the significance of the rights that are justiciable, and misleading people into thinking that both kinds of thing can be treated the same.

Simon Hughes: As a postscript to my right hon. Friend's point, one of the difficulties of adding social and economic rights is that even if the courts might uphold such claims, it is, by definition, probably for the state to deliver them. That creates the risk of undermining the authority of the court, and therefore the Bill of Rights, in relation to the citizen. Civic and political rights can always be enforced, and, relatively, cost much less.

Sir Alan Beith: My hon. Friend develops precisely the point I was making, in a very helpful way.

The report deals with a number of other important issues, such as the involvement of Parliament in the derogation process. That is an extremely valuable contribution to the debate, which we should pursue. It also deals, as was mentioned in an earlier exchange, with devolution issues, and the fact that some rights that some people think would be appropriate in a Bill of Rights for England and Wales do not apply in the same way in Scotland, where similar objects are achieved by different processes. Less use is made of trial by jury, for example, than in England and Wales.

Lack of engagement presents a problem. I may have been too severely critical of the Minister, but at least I have given him the opportunity to defend himself and his Department; but it is the experience of the Committee of which I am Chairman, the Select Committee on Justice, as well as of the Human Rights Committee, that the level of engagement between the United Kingdom Government and devolved Governments, and the United Kingdom Parliament and devolved Parliaments and Assemblies, is well below what is really required to make the devolution settlement work. Perhaps that is not surprising. It is all relatively new and many of the participants have been busy looking after their own corner, as it were, whether that is governing Scotland or trying to work out how Departments covering England, or England and Wales, can relate to what is happening there. Our report "Devolution: A Decade On" underlines pretty firmly the ambiguities and uncertainties in the structure that is meant to deal with those things, and the need for progress.

Mr. Wills: Will the right hon. Gentleman clarify whether he is talking generally about the relationship between the United Kingdom Government and the devolved Administrations, or particularly in relation to the Green Paper on rights and responsibilities?

Sir Alan Beith: I had indeed moved from talking about the specific case, to say that the likely reason for what has happened is, as the Committee identifies, that what I describe is characteristic of much of the general pattern of relations between the component parts of Government in the United Kingdom in the early period since devolution.

Mr. Wills: To be absolutely clear, do I understand that the right hon. Gentleman is talking about something that is likely to be the case, as my hon. Friend the Member for Hendon was saying, but that he has not experienced himself?

Sir Alan Beith: My point is that I have taken ample evidence that the situation in relation to governance matters generally, between the various parts of the United Kingdom, is an unsatisfactory one. That is set out in the report, to which we await the Government's response in due course, on how devolution is working. The Joint Committee on Human Rights identifies a particular problem, and the same things appear to have been happening in the area that I was talking about. It is not a criticism that I make too severely, because it is part of the growing pains of the devolution process, but it needs to be addressed.

That brings me to the fundamental point. Should we go through the process of creating a new Bill of Rights, or should we do more to make the one that we have work more effectively? One of the more worrying things is that several important rights have been damaged or abrogated under the present regime, and there is no particular evidence that the creation of an additional Bill of Rights would put a stop to that. Indeed, if anything, some of its advocates seem to hope that it would cause the Human Rights Act 1998 to have less impact than it does now. Much of what I am talking about relates to derogations in the context of anti-terrorism legislation, or matters in such legislation that are not the subject of derogation but which have been sources of loss of rights. Paragraph 37 of the report deals with evidence about several issues, including rights of assembly in the vicinity of Parliament and other features of anti-terrorism legislation, and the fact that those have effectively involved limitation or abrogation of rights.

We should be concentrating our effort on making sure that the existing system works, and that on the occasions when we must consider derogating from it we do so by a process that involves Parliament more fully and effectively. I remain a sceptic about the need to add to the corpus of human rights legislation at this stage. However, if we are to do so, I am glad that the Committee has raised some process issues. We are in the middle of a quite strange process, which is welcome, in one sense, to those of us who have always wanted constitutional reform; but constitutional reform is springing up all over the place. Prime Ministers and party leaders are coming out with speeches day after day about more and more reforms. More legislation is being offered, suggested, or, in the case of the parliamentary standards authority, brought forward in a matter of days.

However, there is a certain lack of coherence and shape to the process, and there is no real process by which to engage with citizens to ensure that there is some consensus on constitutional change. I do not want to dampen the enthusiasm for constitutional reform at all, but I want to make sure we have a coherent process. My Committee will do some more work on that. However, in its reflections on the sort of process that we might need, the Joint Committee on Human Rights has done us a service by trying to widen the scope. I have severe doubts about whether that is a road we need to go down at all, as far as human rights legislation is concerned. However, if we do, a process that involves our citizens more fully and leads to very considered decisions in this area is vital. I fear that we may run the risk of having a dangerous constitution Act, which is something we should avoid.

3.20 pm

David Howarth (Cambridge) (LD): It is a great pleasure to follow my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith). I agree with a great deal of what he said. I also agree with the Committee's report in two crucial respects: it is wrong to link human rights with individual responsibilities—as my right hon. Friend said—and it makes no sense to link the human rights debate with attempts to promote notions of Britishness.

The Committee was right on those issues because of a reason that relates to both of them. Human rights form a basic minimum standard, below which no civilised Government should ever fall in their dealings with any human. That means that complying with human rights standards simply cannot be made conditional on the behaviour of individuals, as my right hon. Friend demonstrated. The state must not behave in ways that violate those standards, no matter with whom they are dealing. That applies to unpopular and antisocial people, as well as everyone else.

For the same reason, one cannot say that human rights are peculiarly British. They are universal and they apply to all states and humans—not just the citizens of particular states and the residents of particular places. It is no more British—in some cases it might be less, but it is certainly no more—to support human rights than it is French, Canadian or Australian. I also agree with the Committee when it states that we should be suspicious of the motives of those who call for a British Bill of Rights and responsibilities. If the people calling for that were genuinely concerned about strengthening human rights protection—as is my right hon. Friend, the hon. Member for Hendon (Mr. Dismore) and I—there would not be a problem. However, the reality is that many of those who call for such a measure—both the Government and the official Opposition—show no sign whatsoever of wanting to strengthen the law. The hon. Member for Hendon mentioned a key example in the form of his Human Rights Act 1998 (Meaning of Public Authority) Bill, which I strongly support. The Bill would extend the protection of human rights law, so that it is exercisable against those private organisations that carry out state functions—particularly under contracting-out arrangements. When the Bill comes before the House in about 10 days' time, I urge the Government to allow it through because it would strengthen the law in a useful and important way.

The problem is that the real motive for introducing a British Bill of Rights and responsibilities seems to be simply to appease an angry right-wing populist press that has always hated the Human Rights Act. They hate it for several reasons. My right hon. Friend the Member for Berwick-upon-Tweed mentioned one of the reasons, which is the incorrect association of the European convention on human rights with the European Union. Another motive, which is also technically incorrect, is the association that some newspapers make between the Human Rights Act and the development of privacy law by the courts. The third reason why such parts of the press hate the European convention on human rights and the Human Rights Act is because they do not believe in the central idea of human rights in the first place, which is that there should be limits to what a majority can do to an unpopular minority. It is easy to sell newspapers by running campaigns against despised minorities.

Mr. Wills: Politicians.

David Howarth: Absolutely. As the Minister said, I hope that after recent events, people in this Room and this House will see that issue rather more clearly than they have done. To the extent that human rights law gets in the way of such campaigns, those newspapers target human rights law as well. I suppose that cowering before the press is a habit we have all acquired, but we should ask where that has led. In the field of human rights, it has led to the failure—sometimes a complete failure—to defend the idea of human rights itself.

We are now in a situation where some people say that the thing to do is to attempt to re-launch the idea of human rights in a sort of disguise, to try to deal with the anti-European bile—because that is what it is—by talking about the Britishness of rights, and to try to deal with the populism by talking about responsibilities. That is where the Government are coming from in terms of a political strategy. However, I do not think that such an approach can possibly work; actually it will make the situation worse. Such a policy fails to understand the basic problem, which is that those who oppose human rights on populist grounds simply do not accept the basic idea that even unpopular people deserve rights. So, saying that rights are British or linking them with responsibilities will make things worse, because doing so concedes to the argument that only the popular should be protected. If we say to populists that human rights should protect us all, we will not persuade them that the unpopular should be protected. All they will say is, "Why should undeserving people get the rights that I have?" Such an approach will not work and I plead with the Government to move away from that political strategy, because it will make things worse.

The Committee's point of view seems to be that, although there are bad reasons for going forward with a British Bill of Rights and freedoms project, there are also good reasons to do so. The Committee considers it a good idea to launch into a full scale reform of human rights law now—not on the basis put forward by the Government or the official Opposition, but on the more rational basis that a large number of improvements in the law could be made. I can see that point, but I am not convinced it is the right time to carry out such reform. The hon. Member for Hendon talked about having a consensus across the parties, but it breaks down on that issue, first, because our reasons for supporting the general idea of constitutional reform and a Bill of Rights are different from those of the Government and, secondly, because we disagree on the points about tactics and strategy.

Given the atmosphere in which we are living, is this the right time to launch a reform of this particular part of the structure? We must first secure what we have, and that means defending the idea of human rights and the Human Rights Act. The Conservatives try to have it both ways by saying that they are, of course, in favour of human rights and that they are simply against the Human Rights Act. That is a self-undermining argument, which cannot be sustained in the long term. In fact, the political meaning of such an argument is obvious; in reality, the Conservatives are trying to side with the populists who are against the whole idea.

Simon Hughes: I absolutely agree with my hon. Friend. I have been troubled that, despite the strong words issued by the present Lord Chancellor in some of his previous roles and by Lord Falconer when he was Lord Chancellor that the Government were keen to promote the Human Rights Act and to explain what the European convention meant, the position still, to be honest, has not been clearly, regularly and consistently enunciated so that ordinary British people understand the range of rights. If they did, they would be hugely reassured rather than occasionally troubled.

David Howarth: I thank my hon. Friend. Lord Falconer started to defend the Human Rights Act but then that seemed to fade away. The present Lord Chancellor gives interviews, three quarters of which are marvellous. He includes strong defences of the idea of human rights and the Human Rights Act, but then, towards the end or in crucial parts, he slips away to the other point of view. He is trying to be both for and against the *Daily Mail* in the *Daily Mail*. We need to be much clearer about human rights.

Mr. Wills: For the record, may I suggest that the hon. Gentleman actually read the interview that my right hon. Friend the Lord Chancellor gave to the *Daily Mail*? If he reads it carefully, he will see that my right hon. Friend refers to other points of view. It is perfectly legitimate to reflect the other points of view in this country about the Human Rights Act. It does not mean that he supports those views; he is merely reflecting them.

David Howarth: I had the misfortune of reading that article earlier today. The Lord Chancellor defends the idea of human rights for three quarters of the time but then, towards the end, he says that he gets frustrated with the judges' interpretations of human rights because they give the impression that the Human Rights Act is a villain's charter. He does not say that it is a villain's charter—he blames the judges for making it a villain's charter, which makes the whole thing worse rather than better.

Mr. Burrowes: The hon. Gentleman criticises the Conservatives for forming a critique of the Human Rights Act. Would he, as a Liberal, defend the status quo in respect of the Strasbourg court jurisprudence?

[Mr. Burrowes]

Perhaps he would not share the concerns of my Front-Bench team, but would he share the concerns of the noble Lord Hoffmann, who is concerned about the Strasbourg court, in effect, second-guessing the courts and, indeed, the Parliament of this land?

David Howarth: If one is part of a constitutional structure, one has to take the rough with the smooth. One cannot go around saying, "We accept the court's judgments when we agree with them, but we do not accept them when we disagree with them." That is not how a legal structure works.

Mr. Dismore: I have heard the argument propagated by the Conservatives. It is nonsense. The way things are now, if a judgment is made against another country, it is not binding on the UK, according to their argument. That is fine, but, eventually, there will be a case against the UK, and it will be 10 times worse when we, rather than somebody else, are found to have done something wrong, instead of just putting things right ourselves.

David Howarth: That is precisely right. The Conservatives' entire position strikes me as incoherent. If one switches what they are saying to the position of other countries and tries to work it out from that point of view, it makes no sense whatsoever.

We need to say more clearly that human rights are there to stop states, including ours, acting in totally unacceptable ways, and that it does not matter whether when the state does those things it does them to good people or to bad people—people approved of or disapproved of by the newspapers.

We need to say clearly that asserting a human right is not a selfish act. There is a great deal of rhetoric—more on the left than on the right, but some on the right as well—that human rights are part of some libertarian plot to reduce all thinking to that of atomistic individuals who assert their own interests through a legal structure and do not care about anybody else. When someone asserts a human right, they are doing a public act, the effect of which is to restrain the Government from doing something that they should not do in their public and political role. It is not the privatisation of politics but part of politics itself. Finally, we need to say clearly that newspapers that campaign against the Human Rights Act are endangering all our liberties.

To come back to my central point about strategy and tactics, after we have won the battle for the idea of human rights, we can move on to talk about the improvements in the law that the Committee rightly points out could be achieved. I have already been speaking for 15 minutes, so I do not want to go through all the Committee's specific proposals in the detail that they deserve, especially as I think that in many cases this is not quite the right time to press them. I am generally sympathetic to what the Committee is saying, but I would like to make two general criticisms in the hope that it might help the debate in future.

The first criticism is that some of the Committee's proposals seem to mix up human rights and civil rights; that is, rights that belong to all humans in all states, and the rights of citizens of a particular state or the residents of a particular place. I can give an example which, although I am very much in favour of the Committee's conclusion, nevertheless makes my point clearly. The right to a fair trial is a human right in that it is universal, but the specific right to a jury trial is a civil right of people in England and Wales—in that case, of residents rather than citizens. That does not mean that the right to jury trial should not be given a special protected status similar to that given to a human right—I would be in favour of doing that—but it cannot be the same thing. It is not universal; it is not about all states or all humans everywhere in the world.

The same point applies to much of the debate about social and economic rights, and possibly environmental rights as well. The hon. Member for Hendon is right to say that there is no explicit human right to be protected from destitution, but destitution can amount to violation of the article 3 right to be protected from inhuman, degrading treatment, or even the right to life in article 2. There is a sense in which freedom from destitution is a human right because it protects the basics, the fundamentals—life and basic dignity.

It would be possible to go further than that on the basis of justiciable rights, as long as one knew what one was doing. For example, there is a sense in which to exercise one's political rights to be a citizen, one needs some basic level of health care, housing and education. It would be only a minimum standard and would require some resources—this is not an argument about all resources—but it would be possible to do that on the basis of what was owed to citizens or residents, rather than what is owed to all humans in the world, wherever they might be.

The second criticism is that some confusion seems to have crept into the Committee's thinking, and the Government's thinking, too, about the difference between a written constitution as a project and a Bill of Rights as a project. I noticed the other day that the Prime Minister had returned to his view, which he mentioned right at the start of his term of office, that he was in favour of a written constitution.

A written constitution project is a different thing. For example, entrenchment of a Bill of Rights can occur in a meaningful, full way only in the context of a written constitution. Only if there is a written constitution can one get away from the fundamental problems of the sovereignty of Parliament, and the idea that Parliament can pass anything as a law and can overturn anything that has previously been passed as a law. In reality, one can get away from that only if there is a written constitution.

This is where the argument about preambles and declarations has gone wrong. Much has been said about statements of values and symbolic statements of that kind. They are the kind of thing that one sees in the preambles to written constitutions. They make perfect sense in such contexts, but one does not see them in the preamble to Bills of Rights or human rights Acts as limitations on governmental power. It is better to state the values to which the state is committed in the structure of the constitution. There is no need to do that simply in the limiting bit—in the Bill of Rights bit or in the Human Rights Act bit. The whole thing requires a preamble.

If the Government were to say that in drawing up their statement of values they were trying to draft an early version of the preamble to a written constitution, rather than something to do with the Bill of Rights, I

could see what they were up to and would understand it. There is an issue about whether that is the right way round, and some people would argue that the mechanics should be done first, and that the values should then be considered, but linking the writing of the preamble to reform of human rights law is odd and risky, and should be rethought.

Despite some reservations about tactics and strategy in the Committee's report, I very much welcome it, and I urge the Government to be more positive about it.

3.41 pm

Mr. David Burrowes (Enfield, Southgate) (Con): I welcome this debate, and the Joint Committee's report. The subject is important, and has attracted all parties for different reasons. I commend the Committee for the depth of its analysis.

As the hon. Member for Hendon (Mr. Dismore) said, it is important to have consensus, but it has been suggested that the legislation will not be introduced until after the general election. It is important that that consensus is both political and public, and that when we consider making quick decisions to put our own house in order we do not circumvent more considered judgments on where Parliament fits into a new constitutional settlement. In the present climate of disconnection with the public, we must not rush too far ahead.

I trust that the hon. Member for Hendon, the Minister and other hon. Members involved in drawing up the new constitutional settlement are aware of the fate that befell the authors of the declaration of the rights of men and of the citizen promulgated by the French national convention in 1789. The authors, as hon. Members will be aware, were guillotined in 1794. I give way to an hon. Member who might be in the firing line.

Mr. Dismore: Thomas Paine was one of the main architects, but he was not guillotined. He was locked up for a while, but was sprung by the then American ambassador, and ended up causing as much trouble in America as he had everywhere else.

Mr. Burrowes: I am grateful for that information, and I am willing to be corrected, but my understanding is that the guillotine fell on others who were party to early consideration of the declaration. I concede that that had as much to do with the febrile political atmosphere in revolutionary France as to the quality and relevance of the rights and declaration. I do not suggest the guillotine for the hon. Gentleman, or even the Minister, but we must be aware of the political climate and how it affects constitutional processes. It is important that we consider the context carefully.

Our current political crisis may not be on the scale of that in revolutionary France, but it demands that we urgently address constitutional issues, such as the relationship of Parliament and the Executive, and recognise that constitutional questions are immediately being thrown up. The right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) referred to the Parliamentary Standards Bill, and in a matter of days we will, as some would say, seek to ride roughshod over the last Bill of Rights in 1689 when considering enforcement of the code of conduct. It is important that when we strive for consensus and consideration we consider all aspects, even when we must say, "No, let's wait, and take more time to consider matters."

Perhaps our political crisis highlights the need for a new constitutional settlement such as new Bill of Rights, but we should proceed with due caution. It is vital to the vibrancy of our democracy and our respect for human rights to ensure that Parliament is sovereign. On the comments made by the hon. Member for Cambridge (David Howarth), it is a priority to put our house in order, and to do so soon.

Before leaving the French revolution and that historical note, perhaps we should be aware of Jeremy Bentham's criticism of the French declaration—that it failed to provide any legal remedies to enforce rights, that those rights were too abstract to have any real meaning, and that it was favoured

"by poets, rhetoricians, and dealers in moral and intellectual poisons".

He said that in pejorative tones, but we must keep an eye on the relevance of rights and their enforceability.

It is important to discuss the matter in Parliament, which is why this debate is welcome. The hon. Member for Hendon said that it has taken its time to come to debate, and it took 14 or so months for the Government to produce the Green Paper, but at least we have some focus on the road down which they want to take us when considering human rights, what they should be, and whether and how they should be enshrined in a new Bill of Rights. I welcome our future debates and discussions.

For too long, public perception has been that Parliament and the country are looking outside the debate and issues concerning human rights, and perhaps in some ways it resembles a game of tennis at Wimbledon—it would be a welcome place to be on this bright, sunny afternoon—with human rights being knocked about like a tennis ball. To take the Wimbledon analogy further, despite human rights being debated in Britain, British participants often seem to have little involvement and little ownership, and seem to have been spectators.

At the time of the Human Rights Act 1998, the present Secretary of State for Justice and Lord Chancellor claimed, and repeated it in the Green Paper, that the Labour Government were bringing human rights home. Those words made good headlines and carry on the sporting analogy, but they were historically inaccurate. Freedom and liberty found their home 200 years earlier in common law. To take issue with the hon. Member for Cambridge, English and British rights have formed part of our identity in the rule of law from the Saxon moot courts, Magna Carta and beyond. Those important traditions form our British identity.

I shall not stay in history, because we must examine the present architecture of human rights. It is important to recognise that a key problem—

Mr. Wills: I do not want to interrupt the hon. Gentleman's flow, but before he leaves his historical point, will he clarify something? Is it important that British citizens have the right to enforce their rights under international conventions to which the United Kingdom is a signatory? I am referring specifically to the European convention on human rights. If so, is it better for them to be able to enforce those rights in a British court, or to have to go to Strasbourg to do so?

Mr. Burrowes: If the Minister is patient, I will, as he anticipates, go through that point with some care. He can come back to me by all means if he does not think that what I say is clear.

The debate can be polarised and the criticism of positions can also be polarised. People can suggest that it is just a Eurosceptic view that expresses concerns about the way in which the European Court of Human Rights in Strasbourg deals with issues. However, it is a key problem for the people in this country that the Strasbourg Court lacks proper constitutional legitimacy in this country. That is not just my view or a Eurosceptic view. It is, as I have mentioned, the view of Lord Hoffmann. He said in a lecture in March to the Judicial Studies Board:

"Whatever one may say about the wisdom or even correctness of decisions of the Court of Justice in Luxembourg, no one can criticise their legitimacy in laying down uniform rules for the European Union in those areas which fall within the scope of the Treaty. But the Convention does not give the Strasbourg court equivalent legitimacy. As the case law shows, there is virtually no aspect of our legal system, from land law to social security to torts to consumer contracts, which is not arguably touched at some point by human rights. But we have not surrendered our sovereignty over all these matters. We remain an independent nation with its own legal system, evolved over centuries of constitutional struggle and pragmatic change."

Like Lord Hoffmann, I would not suggest that our system is perfect, but it is important, when we seek to improve the way in which human rights are applied, that we should be making those improvements in this Parliament.

Mr. Dismore: Does that not completely blow out of the water the Conservative party's arguments about the importance of the Strasbourg Court and how important the Human Rights Act is in the UK?

Mr. Burrowes: No, it does not—far from it. Lord Hoffmann's criticism made the point that the Strasbourg Court had not limited itself to the strict judicial discipline of interpreting and applying convention rights. He said in relation to the way in which it has applied convention rights:

"It has been unable to resist the temptation to aggrandise its jurisdiction and to impose uniform rules on Member States."

He went on to give examples of circumstances in which the Strasbourg Court had sought to second-guess UK regulations. He referred to the right to privacy and family life being expanded to second-guess regulation governing night flights at Heathrow. I concur with his point. The courts have a duty to apply the law vigorously, as they do up and down this land, but when they stray into the area of law-making, which is the job of elected law-makers, that needs to be rectified. That is our concern.

Another great concern of not only the Conservative party but many others is that the Human Rights Act has, by its very process, exacerbated the problems identified by Lord Hoffmann. This may not be the time to go through the details and examples, but that matter needs to be properly considered and dealt with. We need to move away from the situation in which UK judges are matching Strasbourg's case law in domestic law. Significantly, that is not required by the convention.

Mr. Dismore: This is one of the most bizarre points; it is one of the points of Conservative party policy that I find most difficult to understand. To follow up the Minister's intervention, how on earth can it be to the detriment of UK citizens and other people who may not be citizens to have their cases decided by a UK court and a UK judge, rather than having to go to Strasbourg to have their cases decided? How on earth can it be against their interests to have a British judge, who understands the British way of life and British circumstances, deciding a case, rather than the Court in Strasbourg deciding it?

Mr. Burrowes: I am not resiling from the European convention, but one has to recognise that there are deficiencies. There are deficiencies in the Human Rights Act. One has only to consider the case of retention of DNA samples from innocent suspects. I understand that it took more than eight years and the matter had to be taken beyond our own courts to Strasbourg in order for the Government to be forced to understand the unlawfulness of retaining those samples. That is an example of the Human Rights Act not properly protecting human rights, and the matter eventually had to be taken to Strasbourg to confirm them. One has to recognise that the present architecture is not acceptable and is not doing the job that it should be doing.

David Howarth: This is a point that I have never quite understood about the Conservative party, either. If the problem, as the Conservatives see it, is with the Strasbourg Court's decisions, the only remedy is to change things at that level—to obtain agreement in the Council of Europe for a change to be made in the convention itself—or to leave the convention. There are no other possibilities. One cannot change the content of the convention by changing the content of domestic law. It just does not work, so what is the answer to the problem that the Conservative party and Lord Hoffmann have identified that makes sense within the architecture in which we find ourselves?

Mr. Burrowes: The answer is to ensure that we have legislation that is applied and enforced by courts and that does not resile from the principles in the European convention; we would not wish to do that. If one looks at the text of the convention, one sees deeply held British values, such as the right of the individual against arbitrary and excessive state powers. The issue is the application and interpretation of it. One has to accept that Strasbourg—

Mr. Wills: Will the hon. Gentleman give way?

Mr. Burrowes: In a moment. One has to accept that Strasbourg Court jurisprudence has in many ways gone too far and gone beyond what our country and our courts should properly be applying. It is important that we have a Bill of Rights and that we have the opportunity with a new Bill of Rights to consider a Bill that can be properly compatible with the European convention on human rights, but is not bound by Strasbourg Court jurisprudence.

Mr. Dismore *rose—*

Mr. Wills *rose—*

Miss Anne Begg (in the Chair): To whom is the hon. Gentleman giving way?

Mr. Burrowes: To the Minister.

Mr. Wills: Shortly we shall have a vote and the hon. Gentleman may want to reflect on what he is saying. I would be grateful for just a little clarification. First he seems to be saying that there are deficiencies in the Strasbourg jurisprudence and that needs to be changed, which is the point to which the hon. Member for Cambridge (David Howarth) referred. Next he seems to be saying that he does not resile from it; he thinks that it is a wonderful thing and it embodies British values; and the problem is the way in which those rights have been brought home in the Human Rights Act. If he is in fact making that last point, can he be specific? Where specifically are the deficiencies in the drafting of the Human Rights Act? I am not talking about specific cases, in respect of which he may take issue with the judges. Which bits of the Human Rights Act would he like to be redrafted? Can he give us some clarification on that?

Mr. Burrowes: I do not propose to go into a debate on all the schedules to the Human Rights Act. We had that debate at the time. We scrutinised it and, from the Front Bench, we predicted the confrontation between the judges and the Executive in relation to a number of issues. The Minister does not wish me to, but I could go through real examples of where the Human Rights Act has failed this country's interests. There have been instances in which the Human Rights Act has not properly protected human rights. There are examples in which it has not gone far enough and in which it has been deficient. We need to ensure that we have a Bill of Rights that is properly compatible with the European convention on human rights—

Sir Alan Beith: Will the hon. Gentleman give way?

Mr. Burrowes: I wish to take this argument further. We also need a Bill that is not wholly bound by the Strasbourg Court jurisprudence. That is not necessary; the convention does not require it. We need better to define the ECHR prescriptions and ensure that those principles are expressed so that they are relevant to all people. We need to ensure that we do that because when one considers the way in which the Government have dealt with human rights in the past 10 years—the right hon. Member for Berwick-upon-Tweed made a point in this regard—they are found wanting. That is an important context.

Sir Alan Beith: In a genuine search for truth, I want to establish whether the hon. Gentleman is proposing that we pass a new British Bill of Rights so that people can have a choice between two routes—either invoking the European convention in both British and Strasbourg courts or applying a British Human Rights Act. I shall leave aside the question of how one might impact on the other. Will we have a choice, or will the British Act depend on us abandoning our signature to the European convention on human rights?

Mr. Burrowes: What is needed is clarification. The answer is no to choice and no to abandoning our signature to the convention. We need to clarify how the ECHR applies to UK citizens. Such clarification would be welcome. Indeed, our debate highlights how welcome it would be.

Mr. Dismore: Will the hon. Gentleman give way?

Mr. Burrowes: No, I wish to make further progress.

What the Government seek in wanting to draw up a new constitutional settlement is important. We should consider their record over the last 10 years in seeking to enshrine freedom under the law. Do they have the credibility to take it forward, given that they have been willing to bypass basic legal principles in the name of administrative efficiency and control?

The Government have proposed detaining suspects for up to six weeks without charge; control orders; a plethora of criminal justice legislation, with a new piece of legislation every six months; and they have tried to remove judicial review in asylum cases. They have attempted to limit trial by jury at various times; and they have changed the burden of proof in some criminal cases to facilitate conviction. Those actions highlight an important transformation over the past 10 years.

We should also consider the increase in administrative penalties, imposed without trial; I think of the antisocial behaviour order and the fixed penalty notice. The Government have also taken intrusive powers to acquire and retain national databases giving detailed information on the law-abiding; and the law has often been dominated by trivia, with the Government devoting time to regulating on minor matters. The context is important. Ever more of our individual freedoms are being taken by the state, thus undermining individual responsibility and neighbourliness. The breakdown in the rule of law over the past 10 years is making us less safe and is eroding confidence in what was once the best and fairest justice system in the world. That is relevant, as one has to ask whether the Government have the credibility to take the matter forward. I give two examples from the Green Paper on the subject.

The first is about good administration, which is referred to in paragraph 3.39. The question is whether administrative principles lead to good administration being justiciable. We should remember how the Government have treated the parliamentary ombudsman over the last few years. They rejected her recommendations and as a result have undermined respect for that office. Such Government failures could lead to a groundswell of concern that they are not doing their job properly. Not respecting the role of the ombudsman could lead to support for some justiciable rights on such matters.

The second example is in relation to jury trial, which was referred to by the hon. Member for Cambridge. A good argument can be made for a right to jury trial to be enshrined in a bill of rights, but where do the Government stand on the matter? They have a bad history in seeking to remove jury trial. Despite votes to kick out Government proposals on limiting jury trial, they still continue to perpetuate the debate. Indeed, paragraph 3.30 states:

"There is also a legitimate debate over whether some cases, particularly serious fraud cases, are simply too complex to present properly to a jury and therefore, jury trial is an unreliable way of delivering justice in those cases."

[Mr. Burrowes]

The Government are still lukewarm about that important principle. Perhaps additional support is needed to ensure that it is enshrined in a Bill of Rights, given their ambivalence on the subject.

In some ways, that is in contrast to the commentary and consideration of the Joint Committee's recommendations on whether economic and social rights should be incorporated in a new Bill of rights. However, I recognise the scepticism of the right hon. Member for Berwick-upon-Tweed on those rights being justiciable, particularly on whether they would weaken rights that should properly be included in a Bill of Rights.

Concern was expressed by the Joint Committee, and must be expressed again, on how those rights would be enforced. The Government do not seek to go down that route at this stage in the continuum, but where do they wish to go? It is a matter of great concern, given that we want to reassert the authority of Parliament, that the Government should think of abdicating responsibility for deciding how scarce resources should be allocated to unelected judges.

In an article in *The Sunday Times* on 22 March, the Minister referred to "constitutional expression", saying:

"Words have power in their own right."

Words certainly can have power: they can raise hope. Constitutional documents may contain symbolism and lead to aspirations, as well as enforceable rights. However, words without legal force will mean us ending up with those imaginary rights that Bentham thought would lead to anarchy in France. I do not suggest that that would be the case today, but would it not further perpetuate people's disconnection with Parliament?

People believe that Parliament should be the place to deliver such economic and social rights, scrutinising legislation to ensure that duties are explained and delivered. However, such rights would not deal with what many people say they want when answering polls on whether they want a decent house or a decent health service. Do they want to see such things properly shown and exhibited in a constitutional settlement rather than having the Government delivering them?

The Government would have us believe that a quiet revolution is in place, that it will lead us to a next stage, and that all is rosy in the constitutional garden. Thankfully, legislation on the subject will not happen until after the next general election. We should certainly agree on that point, because we shall then have a new Parliament. We shall then have a new Government—one that has not been guilty of constitutional vandalism in that garden, has not been trampling on centuries-old liberties and has not been engaging in over-regulating conduct.

Although the Government want us to deliberate on the matter and discuss it—we should try to reach consensus—we will not be able to reach that new dawn of constitutional change if the Government do not recognise the importance of restoring trust and confidence. That trust and confidence has been broken by excessive state prescription and a lack of respect for the need to restore tradition, freedom, justice, liberty and tolerance. The Government have failed by neglecting that need, and it will indeed take a general election for it to happen.

4.8 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): This is a welcome debate, and I congratulate my hon. Friend the Member for Hendon (Mr. Dismore) on securing it. It is a profoundly important matter, and we heard important contributions from everyone who has spoken. I am grateful to all who contributed to the debate. There are five of us in this shady Chamber this afternoon. My hon. Friend the Member for Hendon pointed out that this is the first time that Parliament has had a chance to debate the subject, but from this small and select gathering I am sure that those important contributions will ripple out to engage the nation in due course—and so they should.

The Prime Minister's recent statement on democratic renewal showed the Government's continuing commitment to the process of radical constitutional change. It is not constitutional vandalism, as the hon. Member for Enfield, Southgate (Mr. Burrowes) suggested, but profound and radical constitutional reform.

We brought about devolution, which most people will agree has been a success. It was sometimes a difficult and challenging experience but it was none the less successful. No one watching the recent Mayoral elections in London would have seen anything other than a vigorous democracy; even if it did not produce the result that some would have wanted, it was democracy in action, and I think that the people of London appreciated that—just as the people of the United Kingdom appreciate all the devolution measures that we have brought about.

We also brought in the Freedom of Information Act 2000, and we have seen the benefits of that throughout its history. In recent weeks, that Act has been particularly challenging for many Members of the House—and indeed for the institution of Parliament.

Nevertheless, anyone looking at events in recent weeks would agree that the Freedom of Information Act has done nothing but good for the constitutional health of our democracy. We also introduced the Human Rights Act 1998, which I shall talk about at greater length shortly. It was a profoundly important measure that has already proved itself to be of great value to the people of this country, and will continue to do so, if left on the statute book.

We have been criticised for our attention to constitutional reform, not by the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), the hon. Member for Cambridge (David Howarth) or their party, but by many others, including commentators and those in the Conservative party. When we produced the Green Paper on the governance of Britain, commentators asked, "What does all this mean down the Dog and Duck? Why are you concentrating on this?" Regularly we hear, "What's this got to do with bread-and-butter politics?" Well, I think that we have seen the reason we have paid it such attention; it is instructive how many people in this place have suddenly developed an interest in constitutional reform in recent weeks.

Last August the Joint Committee on Human Rights produced a report. I pay tribute to that report and the work of my hon. Friend the Member for Hendon (Mr. Dismore) and his Committee colleagues in producing it. It was an extremely important contribution to the debate, as has been evidenced in contributions today. It will continue to feature as a centrepiece of the national

debate that the Government began following the publication of the March Green Paper on a Bill of Rights and Responsibilities. I commend that Green Paper to everybody—it was not always clear from today's contributions that it has been read thoroughly.

As the Green Paper points out, how individuals should live together, what rights and freedoms we should enjoy in relation to each other and against the state, and how they should be balanced by the responsibilities that we owe each other, are among the most fundamental questions in politics. They are not abstractions or removed from the practical politics of jobs, housing, health care and education, precisely because such constitutional arrangements determine how power is distributed in our country—where and how it is located and what the process should be for changing that location. Given that these questions are about power, they determine how every other question in our national life will be answered.

We believe that this is the right time for a debate about whether we should have a new Bill of Rights and Responsibilities, potentially leading to a written constitution, and that that debate should be had extensively and comprehensively with the British people. At the heart of the Government's Green Paper is a central question: are there rights and responsibilities, over and above those entrenched in the Human Rights Act, that are so fundamental to our society and sense of ourselves that they should be entrenched in a way that renders them part of our constitutional fabric and not easily vulnerable to the vagaries of party politics and elections?

We specifically did not raise the subject of the Human Rights Act, in this context, as a matter for debate. In my view, the Act is not strictly relevant to the subject of this debate, but because it was raised so often, I shall, with your indulgence, Miss Begg, address some of the points made about it. The Government are proud to have introduced the Act and do not resile from it at all. It has already proved itself to be of enormous benefit to the people of this country, be they powerful newspaper magnates, powerful campaigning organisations, such as the Countryside Alliance, or ordinary individuals seeking the protection of the Act—for example, vulnerable, elderly couples seeking to spend their last years together, potentially separated by a state institution, but able to remain together through recourse to the Act. It contains profoundly important protections for every individual in this country, and we do not think, therefore, that the matter needs to be debated. That is why—I say this in answer to my hon. Friend the Member for Hendon—we did not include the question of the scope of the Act within the consultation. We shall consult on it separately, because it is a separate issue, in this context, and so should be dealt with separately.

Mr. Burrowes: The Minister has extolled the supposed virtues of the Human Rights Act. So why are the Government consulting on it separately? What is the rationale behind that? If it does not need changing, why consult on it?

Mr. Wills: I am grateful to the hon. Gentleman for enabling me to clarify my point. I said that we are consulting on the scope of the Act. He might recall that my hon. Friend the Member for Hendon referred to the YL case, which was heard in the House of Lords and dealt with the scope of the Act. As my hon. Friend has pointed out persistently—he did so again today—the House of Lords decision was unexpected. I do not think that it was in the minds of many of those who voted for the Act that its scope should be so restrictive. We have given an undertaking to deal with, and have dealt with, the consequences of that decision. I am afraid that I do not agree with his characterisation of our actions. Did he call it a patch-up? Would he remind me of his exact phrase? I certainly disagreed with it, but I would like to remember what I am disagreeing with.

Mr. Djanogly: I said that it was a sticking plaster, because it dealt with just one aspect of a broader principle. I accept the direct consequence of the YL case for care homes, but the judgment has much wider implications. Also, will the Minister indicate the time scale for the consultation?

Mr. Wills: I am extremely grateful to my hon. Friend. I remember now why I disagreed with him.

4.16 pm

Sitting suspended for Divisions in the House.

5.41 pm

On resuming—

Mr. Wills: As hon. Members will recall, I was talking about the Human Rights Act 1998, and I wanted to pick up on a few of the points that were made about it in the debate. The hon. Member for Cambridge and the right hon. Member for Berwick-upon-Tweed, who is sadly no longer in his place, criticised the way in which the Government have promoted and defended it. They said that we have not done so, but I am afraid they are profoundly misinformed.

We have an active rebuttal unit in the Ministry of Justice. When myths and misperceptions about the 1998 Act are promulgated in the press and elsewhere, we robustly rebut them. We defend the Act, as I have today. Above all, we set up the Equality and Human Rights Commission, not only to defend the Act, but to do the job of promoting a human rights culture in this country. That is profoundly important for the all the reasons that right hon. and hon. Members have given. We agree with everything that has been said about the importance of human rights in this country, which is why we set up the EHRC with a £70 million budget, to try to ensure that the people of this country understand the importance of human rights.

Although the hon. Member for Enfield, Southgate may disagree about some of the practical implications, even he and his party would agree on the fundamental importance of human rights. We are committed to the 1998 Act and to ensuring that there is a human rights culture in this country that properly embeds fundamental protections of the freedoms and liberties of the individual against the state. In the end, that is what it is about, and we know from recent history in Europe and elsewhere just how fundamental it is.

That brings me neatly to point made by the hon. Member for Enfield, Southgate, who described the trampling of liberties. I do not want to go case by case over the examples that he gave—they have been the subject of elaborate debate in the House and elsewhere—but I want to refer him to the estimable Convention on Modern Liberty, which has already been cited in the

[Mr. Wills]

debate. Like me, many of his party took part in its deliberations. He will be well aware of the approach that the convention took.

The contribution of Lord Bingham, one of the most distinguished jurists in recent years in this country, is enshrined on the convention's website. It was lauded by almost every speaker at the convention and certainly by the organisers, who took it as one of the finest contributions of that important day's deliberations and debates. I draw these remarks to the attention of the hon. Member for Enfield, Southgate in particular. In his much-acclaimed contribution to the convention, Lord Bingham said:

"It seems clear that the last half century has seen an erosion of values once held dear."

So far, I think that the hon. Gentleman would agree—I hope that he would. Lord Bingham went on to say:

"This is not the work of one party or one government, certainly not of the present government which in enacting the Human Rights Act coming into office took the single most powerful step in another direction".

That is why the Human Rights Act is so important, and why it is important that it is not tampered or trifled with in any way.

The hon. Gentleman quoted Lord Hoffmann in a recent speech. I am aware of that speech, and I was interested by the hon. Gentleman's characterisation of what the speech said. I do not want to linger too much on this point, though, as I wish to move on to the substance of the debate, which is the Green Paper on the Bill of Rights and Responsibilities.

Mr. Dismore: The Committee report, actually.

Mr. Wills: The Committee report; sorry. I stand corrected, quite rightly, by my hon. Friend.

I draw the attention of the hon. Member for Enfield, Southgate to what Lord Hoffmann said in his speech:

"I have no difficulty about the text of the European Convention or its adoption as part of United Kingdom law in the Human Rights Act 1998."

That is the learned Lord Hoffmann, now a mentor to the Conservative party in formulating its policy. That mentor said:

"There is nothing to be gained by fiddling with the language."

As yet, I have heard no contribution from the Conservative party suggesting anything other than that the Conservatives are going to fiddle with the language of the Human Rights Act. I commend their mentor's words to them and hope that they will be guided by them.

Moving on to substance of the debate, should we move beyond the Human Rights Act and build on it? Are there rights, protections and responsibilities so fundamental to our way of life, our society and our sense of ourselves in this country that they should be entrenched in a way that renders them not susceptible or easily vulnerable to the vagaries of party politics and elections? These are profound questions, particularly now, when so much that we have taken for granted in recent years clearly can no longer be taken for granted. They are also difficult questions. Rights and freedoms always carry with them the cost of conflict and raise agonisingly difficult questions, precisely because they are about power and the distribution of power in society.

What are the limits of the rights of the individual against others? How far can the state arrogate to itself the power to act on individuals' behalf? Incidentally, the state is not always the enemy of the individual. The history of this country shows how well the state can be the guarantor of the rights of the most vulnerable in our society. The national health service and our wider welfare system are part of the state in that context. In a democracy, what are the proper limits on the power of the majority? The hon. Member for Cambridge has often and eloquently described the importance of that question in the production of a decent and civilised society.

This is not really a debate about whether to protect individuals but about how best to do so. That brings into play the question of economic and social rights. We know that most of the rights—to education, health care, housing and the other things described by my hon. Friend the Member for Hendon—that would be covered are already given and protected in various bits of statute dotted throughout our constitutional arrangements. He mentioned housing—he has been active and diligent on that matter—but he did not mention, for example, all the action that the Government have taken already to protect home owners and vulnerable families. I will briefly run through our actions to show that there are other ways of protecting those issues that do not necessarily require constitutional entrenchment.

The matter is one for proper debate, but that debate is not about whether vulnerable people should be protected in such matters but about how best to protect them. I shall run through some of the action that we have taken and then point out the need to address the question of whether we should go further to provide some sort of constitutional protection in this and other areas.

Mr. Dismore: Will the Minister give way?

Mr. Wills: I shall, but first I want to remind my hon. Friend of some of the wonderful things that we have done. We introduced the home owner mortgage support scheme, which enables eligible borrowers to reduce their monthly mortgage interest payments to affordable levels for up to two years. We have made changes to the eligibility criteria for income support for mortgage interest. We have produced a mortgage arrears pre-action protocol, housing arrears pre-action scheme pilots and so on. We have taken a range of actions to try to protect some of the most vulnerable people and to ensure that they get the housing that they need.

Mr. Dismore: When I was talking about home repossessions, I mentioned the fact that the Government have taken a number of initiatives that have led to a reduction in the estimated number of repossessions. However, there is no overarching, underpinning right, which is what we are arguing for. Furthermore, will he support my Bill tomorrow?

Mr. Wills: I am sure that my hon. Friend, as always, will make a valuable contribution when he introduces his Bill, but I am afraid that, as always, some issues will need to be resolved before we can support it. As ever, though, he makes a valuable contribution to the debate. He identified the important issue: there is no overarching or underpinning right. But should there be? That is the

precise debate that we need and want to have. And we have begun it in Parliament today—again, I thank him for bringing it forward.

I want to make three brief points, the first of which is about the role of responsibilities. We have heard a lot about that, and as always whenever a Minister mentions responsibilities in this context, there is a sharp intake of breath among all those who believe in the importance of human rights. It is seen as code for abandoning the key principles that underpin human rights—such concerns have been expressed today, particularly by the hon. Member for Cambridge—but it is nothing of the sort.

Many decent, tolerant people whose lives are made wretched by crime and antisocial behaviour are concerned that human rights legislation means that those making their lives a misery are immune from the consequences. All hon. Members have probably heard similar concerns at meetings in their constituencies. As we know, such perceptions are given currency by irresponsible and inaccurate reporting in sections of the media. It needs to be said that, as all hon. Members in the Chamber know, those perceptions are incorrect. However, that is no reason to be complacent, and we would be rash to hope that such misperceptions will not take root. They can and they do. We need to—and we do—work constantly to expose such myths.

Sir Alan Beith: But should the answer to that acknowledged misperception be to create a situation in which rights become contingent, other than through the criminal law, on behaving responsibly?

Mr. Wills: I agree that that is not the answer, but that is not what we are arguing for. I think that the right hon. Gentleman was kind enough to quote me stating that rights are not contingent. However, I want to develop this important point. It is right that the relationship between rights and responsibilities is scrutinised. It is important to get that right. It is a subtle and sophisticated relationship and so subject to misinterpretation.

I accept that the Government must play a central role in explaining better the intellectual framework of the legislation and how concepts of proportionality and balance are inherent in the Human Rights Act and human rights generally. Human rights legislation does not protect wrongdoers from the law. It gives them the right to a fair trial, which we all accept is fundamentally important in this country, but it does not prevent them from going to jail or being punished in other ways. We need to make the case that rights are indeed accompanied by responsibilities. To repeat the point, rights are not contingent on responsibilities—they are accompanied by them and balanced by them.

As the Green Paper, "Rights and Responsibilities: developing our constitutional framework" sets out—again, I commend the document to all hon. Members—the concept of the responsibilities that we owe one another has a long, distinguished intellectual history and is inherent in all instruments of human rights. I shall quote briefly from the Green Paper:

"The idea of the link between rights and responsibilities is not new, either in theory or in practice. In our daily lives we owe responsibilities to the state and to each other. Some of these are moral, and are rightly not a matter of legal duty or sanction; many others already exist in our legal system, in statute, in common law and through convention."

The challenge is how better to remind people of the importance of individual responsibilities and give them greater prominence. Individual rights must be promoted and protected without losing sight of the essential contribution of responsibilities to collective harmony and prosperity.

David Howarth: The difficulty is that the Minister does not specify what the link is. He keeps talking about a link, but he has said that it is not a legal link and that there is no conditionality. From his argument, it seems that the only link is some sort of public relations or propaganda link and that somehow talking about responsibilities will change the attitudes of people who do not like the Human Rights Act. I cannot see how that works.

Mr. Wills: The hon. Gentleman is a very distinguished lawyer who knows how the Human Rights Act works. He knows that concepts of proportionality are inherent in that Act and in all human rights instruments. He also knows that the concepts of balance are inherent in such measures. How those concepts should be characterised—whether they are identical or whether they overlap or overlay the idea of responsibility—is a matter for debate.

David Howarth: Will the Minister give way?

Mr. Wills: If the hon. Gentleman gives me a chance to develop the argument, he can then tell me why he thinks that I am wrong. In the meantime, I ask him to consider these points. At this stage, we are launching a debate. We are not prescribing an outcome or setting out what the Bill should say; we are inviting contributions from the public at large—certainly from the House—about what we should do about the matter. These are complex and difficult questions for all the reasons that I have given, and, in different ways, every contributor to the debate has also said that. We need to have a discussion and a debate about the matter. If he thinks that we should do things differently, he should say so—but not right at this moment. I would like to develop my argument a little further and then I will happily to give way to him.

The solutions can come in a whole range of forms—they could be ethical, political or legal. They may or may not include prescriptions about the relationship between rights and responsibilities. All those wise men and women who were responsible for drafting the great human rights instruments have no such fear of discussing the role of responsibilities, and they have woven them through their drafting. I shall quote briefly from some of the human rights instruments to show that such an opinion has not been invented. I quote from one of the previous contributions to a new Labour debate. Article 17 of the European convention on human rights states:

"Nothing in this Convention may be interpreted as implying for any State, group or person any right to engage in any activity or perform any act aimed at the destruction on any of the rights and freedoms set forth herein or at their limitation to a greater extent than is provided for in the Convention."

Article 29 of the universal declaration of human rights states:

"Everyone has duties to the community in which alone the free and fully development of his personality is possible."

[Mr. Wills]

The preamble to the American declaration of the rights and duties of man states:

"The fulfilment of duty by each individual is a prerequisite to the rights of all."

I could quote at great length on the matter. The point is clear: this is a proper subject for debate, and that is what we are asking for. We are asking for contributions from the public and hon. Members about what the solutions to this issue should be.

The second area of debate that we should engage on is whether the Human Rights Act is sufficient or whether we need to go further. Should we be complacent about our rights? Since the last great reforms of the suffrage, the development of the welfare state in the 20th century and the formulation of human rights in the wake of the atrocities of totalitarian regimes in the past century, there has not been an overwhelming demand for new rights in a constitutionalised way—rather, the debate has been about how best to entrench the rights and freedoms that we have and to render them more accessible. After all, the Human Rights Act 1998 was not about creating new rights, but about bringing them home. It was about giving British people a chance to enforce those rights in a British court, rather than in Strasbourg. We have not discussed the advantages of that at length, but it brings considerable advantages for the citizen because, as hon. Members know, it gives British courts a greater margin of appreciation than they would otherwise have.

Do we need to go further to entrench the rights that we have? The admirable Joint Committee on Human Rights report suggests that we do. The Government have indicated openly that we are willing to take this question to the public. Nothing is immutable. Our rights and freedoms are the fruit of specific historical circumstances, as the hon. Member for Enfield, Southgate suggested. The times we are living through are sufficient evidence of that.

Finally, we must discuss how any new constitutional expression of our rights and responsibilities should be given effect. There are serious arguments for and against making them directly judiciable by giving people direct cause of action in the courts. It is politically illiterate to argue that unless all the provisions of a new Bill are directly judiciable, it would be worthless. The Select Committee did a very good job of teasing out these arguments and have come forward with a solution that will provide an important contribution to this debate.

I repeat that things do not necessarily have to be enforceable in law to have legal effect. The hon. Member for Enfield, Southgate did me the courtesy of quoting from an article that I wrote, although not wholly in approving terms. None the less, I ask him to consider this point: words really do matter, but they are not always connected to meaning. Language can obfuscate, confuse and deceive, but it can also crystallise understanding and inspire us. The courts are not the only source of action and progress in our society. How impoverished would our political discourse be if the only way that our politics could have any effect on society was through laws?

These are not easy questions, but profoundly difficult ones. I welcome the range of views that have been expressed today. As a society, we can move forward in this area only if we can establish a broad consensus. That is what this debate should be about and I believe that it has been about that today. I welcome that and congratulate my hon. Friend the Member for Hendon for giving us the opportunity to have this discussion.

6.3 pm

Mr. Dismore: I do not want to delay hon. Members for too long, but I would like to respond to a few points. The first is the issue of rights and responsibilities. I tend to agree with the Liberal Democrat party on that, rather than the Minister. Unless there is conditionality, the responsibilities do not amount to a great deal. We all accept that conditionality cannot be used in these circumstances. As I said when introducing the debate, I have no problem with a general aspirational preamble along the lines of the historic documents read out by the Minister. However, when we start to talk about the duty to send one's children to school, we get into the realm of the ridiculous, which could undermine the whole concept and make it a laughing stock.

I would like to answer the points raised by the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) on social and economic rights. I am still not sure whether he understands what we are arguing for. Incidentally, the housing case from South Africa that I could not remember the name of was Grootboom. Our draft Bill puts forward three suggestions on housing. The first is clearly aspirational:

"Everyone has the right to adequate accommodation appropriate to their needs."

That would have relevance only in relation to progressive realisation. We would expect the Government to report to Parliament about the progress towards achieving that goal annually. We suggest two other rights:

"Everyone is entitled to be secure in the occupancy of their home."

and

"No one may be evicted from their home without an order of a court."

Those are not progressive realisation rights, but interpretive rights. When courts come to interpret common law or statute law, it would be underpinned by the need to give effect to such rights.

We suggest two rights on health care. The first states:

"Everyone has the right to have access to appropriate health care services, free at the point of use and within a reasonable time."

That is another aspirational right that would rely on progressive realisation, with the Government reporting annually. The second is:

"No one may be refused appropriate emergency medical treatment."

That is a clear hard right that could be subject to judicial review if it were refused, but it is not directly enforceable in itself. We accept that we cannot make such matters fully judiciable, but we can make them interpretive, and that is how we will underpin those general rights. As for my right hon. Friend's point about housing, we have particular rights, ideas and aspirations that feed into that. However, we have to interpret what some of those things mean. For example, if there was a judicial review about whether somebody was entitled to a particular benefit or scheme that the Government have announced, then that would be underpinned by the right of the court to interpret those schemes in

accordance with the basic rights set out in the Bill of Rights. That is why we have to square the circle and provide the constitutional underpinning.

There was a suggestion about old and new rights. The hon. Member for Cambridge asked whether this was the right time for such a Bill. I would say that it is the right time. The time to bring in such legislation is when people feel insecure in themselves, in their homes and in their economic position. That is when the issues on social and economic rights come into their own. Like me, I am sure that the hon. Gentleman holds surgeries in which constituents say, "My rights have been infringed." Those are the social and economic rights about which we have been talking. They are the underpinning that, at present, does not exist. We should look at that matter now because we need to build on the debate about the Human Rights Act 1998. The Government failed in one respect of the Act. It was not that it was the wrong thing to do, but that they did not go out to sell it from the start. Ever since then, we have been trying to play catch-up, whether it be through myth busting, rapid rebuttal teams, worthy speeches that can be ambivalent or through being undermined by some Ministers who do not understand what we are talking about. I am talking about not the present Ministers but past Home Secretaries, who have said some rather peculiar things that feed popular misconceptions.

How do we move the debate forward? We must make the whole concept of human rights more relevant to people's daily lives. We have tried to do that by some of the work that we have done in the Committee on the right to health care in care homes, or on adults with learning disabilities. We have shown how the Human Rights Act 1998 can be used to improve services. The other way of doing it is looking at rights that mean something to people in their everyday lives, which are, of course, the social and economic rights.

David Howarth: I do not disagree with anything the hon. Gentleman has said. The danger is in not what he is saying, but what other people might do given the opportunity to tear into the Human Rights Act. He has one trajectory that I might approve of, but others would use that opportunity for different sorts of change of which he and I would not approve.

Mr. Dismore: I find that a rather hard argument to follow. The hon. Gentleman calls it "the Human Rights Act in disguise." Let us remember that the press have used the Human Rights Act to their advantage on many occasions, such as in freedom of the press issues, which come from the right of freedom of expression. So, there are double standards by the media, and there always will be. If we talk about things that are relevant to people's everyday lives, that will chime with the public if not with some of the right-wing tabloid press.

The hon. Member for Cambridge talked about the mixing of the universal human rights and the civil rights of the citizen. I agree that there is a bit of mixing up. Inevitably, there will be blurring around the edges, but that is something that we draw out and identify in the report. There will be some rights—such as the right to vote—that are those of the citizen, and there will others that are universal rights. However, that does not mean that they do not all belong in the same document, because they do.

Then there is the question of whether it is the constitution or the Bill of Rights and whether it is the same document or a different document. Again, they are different issues, but there is a degree of overlapping. For example, one of the key themes of the Human Rights Act 1998 is the way in which it operates within the constitutional settlement through, for example, the declarations of incompatibility. That is a very neat squaring of the circle, which we build on in our report in relation to the Bill of Rights. We cannot have one without the other, and we have to show how it fits into the overall jigsaw. That is where that melds together.

I am grateful to my right hon. Friend's constructive response to the debate. I do not think that I need to comment particularly on anything that he has said other than what I have said already. However, I would say that the EHRC was a very welcome development, and that if had been in place at the time of the Human Rights Act, we would not be in the mess that we are in in relation to selling it to the public.

Mr. Wills: I sense that my hon. Friend is about to sit down and I just wanted to make an apology. He raised a couple of questions in his debate, which, because of the long delay, I did not answer. I felt that I should just put on the record two things on the record. First, he asked when our consultation paper on the scope of the Human Rights Act 1998 will be published. The answer to that is "soon". Secondly, I should put on the record, which I omitted to do earlier—I offer my apologies for that—the degree of engagement with the devolved Administrations. My hon. Friend has many, many qualities, so I was surprised that he took at face value a representation made to him by a Minister from the SNP that there had not been proper engagement between the UK Government and the Scottish Executive on the issue.

May I give him the facts? Officials visited Cardiff, Belfast and Edinburgh in September and October 2008—well before the Green Paper was published—to talk to their counterparts in the devolved Administrations. There are still regular contacts to update devolved Administration officials on the progress. The Justice Secretary has also spoken and written to the First and Deputy First Ministers in September last year. On Northern Ireland, twice I have met Monica McWilliams, who, as my hon. Friend knows, is the chair of the Northern Ireland Human Rights Commission. So there have been extensive contacts from the moment we were in a position to have a substantive dialogue with the devolved Administrations, and we will carry on.

Miss Anne Begg (in the Chair): Order. As it was an intervention, I think the hon. Member for Hendon has the right to continue.

Mr. Dismore: I have two responses to the Minister's comments. First, he could be a little clearer on what "soon" means—in particular, hopefully before the summer recess. As far as the autumn of 2008 is concerned, that was after we published our report, drawing attention to the fact that there had been no engagement with the Scottish Executive. That was what they told us when we saw them in preparation of our report earlier in 2008. I am pleased that my right hon. Friend has taken on our recommendations from the report, which was published in the summer of 2008, through to what he has done that autumn.

Mr. Wills: Just to repeat the point that I made earlier, we consulted as soon as there was something to consult about. Until there was something to consult about, even my hon. Friend would not expect us to be consulting.

Mr. Dismore: There was a previous constitutional paper published the year before, which sparked off our debate. I think we have made our points about that.

The last thing I would like to say before I sit down is in response to the hon. Member for Enfield, Southgate (Mr. Burrowes). He is a nice chap, very intelligent, and I get on very well with him, but he must have been embarrassed by the intellectually incoherent position that he has had to advance on behalf of his party.

I still find it difficult to understand what the Conservatives are saying about the Strasbourg Court. Are they saying, for example, that they do not want to be bound by the decisions that directly affect the UK, in which case we would have to withdraw from the convention? Are they saying that we do not want to be bound by decisions against other countries, in which case it would only be a matter a time before we are caught by them anyway, and would have to change our law? The best example of that—it is one of the hard cases—is to do with the removal of undesirable terror suspects, which has been a long-standing issue before the European Court of Human Rights. I think it was a Dutch case where we were interveners. Or are they simply saying, "We do not want anything to do with the Strasbourg Court at all", in which case, we would be out of the Council of Europe arrangements in relation to that matter?

That is a completely incoherent position. Either we subscribe to the European convention on human rights and its methods of enforcement, which ultimately is the Strasbourg Court, or we do not. We should not think that fiddling around with the Human Rights Act 1998, which he said has exacerbated the problem, is going to help—exactly the opposite. If they fiddle around with substantive parts of the 1998 Act, which is the convention, which in turn is incorporated in the Act through its schedules, effectively, what they are saying is that we are resiling from the terms of the convention itself. If we do that, either we leave the Council of Europe, or we get turned over by the Strasbourg Court anyway, because the convention would still apply to us, whether or not it is incorporated in the 1998 Act. That position, unfortunately, simply does not stand.

The hon. Member for Enfield, Southgate says that the Conservative Bill of Rights would say how the ECHR applies to UK citizens. Frankly, that would not work unless we leave the convention. They can fiddle around with it as much as they like, but it would not make any difference as a substantive law. All it would mean is that our courts would not be able to interpret the convention. It would not stop Strasbourg interpreting the convention. It may well be that the margin of appreciation that we now have through the UK courts would be lost when the cases end up, inevitably, in Strasbourg. The Conservatives have nothing to say about the detail of what they would put in place of the Human Rights Act, other than a general assertion that they would fiddle with the wording. There is no detail about what wording they would like changed. That point was put by my right hon. Friend the Minister in an intervention to the Conservative Front Bench. He asked what particular wording of the Human Rights Act they would like to change and the hon. Member for Enfield, Southgate had no answer. Unless and until the Conservative party has an answer, we cannot make much sense of its incoherent position.

The hon. Member for Enfield, Southgate asked whether we have brought human rights home with the Human Rights Act. Bringing it home is the right way to put it, because it was drafted, in large part, by a British lawyer, David Maxwell Fyfe QC, on the inspiration of Winston Churchill no less, both of whom, I understand, were Conservatives. When we brought those rights home under the Human Rights Act, we enabled our courts to enforce what are effectively British values and traditions, which have been adopted by Europe. We are not taking from Europe a dictatorship of the Council of Europe and certainly not the European Union in that respect. They have taken our ideas. We have simply repatriated those ideas, as they should have been in the first place, for enforcement through our own courts.

Question put and agreed to.

6.16 pm

Sitting adjourned.